

POLYGENTA TECHNOLOGIES LIMITED

Balance Sheet as at 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	1,516.5	1,565.5
(b) Capital work - in - progress	2	98.2	7.3
(c) Intangible assets	3	1.2	1.4
(d) Right of Use	4	18.8	16.1
(e) <u>Financial Assets :</u>			
Other financial assets	5	76.0	5.4
(f) Other non - current assets	6	87.6	4.8
Total Non-Current Assets		1,798.2	1,600.5
2 Current assets			
(a) Inventories	7	213.0	146.6
(b) <u>Financial Assets :</u>			
(i) Trade receivables	8	96.6	141.7
(ii) Cash and cash equivalents	9	615.5	34.9
(iii) Bank Balances other than (ii) above	10	644.0	172.5
(iv) Other financial assets - Current	11	42.8	0.6
(c) Current Tax Assets (Net)		5.1	1.5
(d) Other current assets	12	94.5	70.1
Total Current Assets		1,711.5	567.8
TOTAL ASSETS		3,509.7	2,168.3
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	13	2,862.1	1,562.1
b) Instrument (ECB) considered equity in nature	14	-	3,423.5
c) Other Equity	15	(3,603.3)	(2,982.5)
Total Equity		(741.2)	2,003.1
2 Non-current liabilities			
Financial Liabilities			
(a) Borrowings	16	3,645.6	27.8
(b) Other financial liabilities	17	430.1	-
(c) Lease Liabilities	18	15.8	15.4
Total Non Current Liabilities		4,091.5	43.2
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	-	18.2
(ii) Lease Liabilities	20	1.0	0.9
(iii) Trade Payables	21		
Total outstanding dues of micro and small enterprises		16.3	22.6
Total outstanding dues of creditors other than micro and small enterprises		94.9	52.8
(iv) Other Financial Liabilities	22	10.9	4.4
(b) Other current liabilities	23	10.0	4.8
(c) Provisions	24	26.3	18.4
Total Current Liabilities		159.3	122.1
Total Liabilities		4,250.9	165.3
TOTAL EQUITY AND LIABILITIES		3,509.7	2,168.3
Significant Accounting Policies	1		
Accompanying Notes form an integral part of financial statements	2 to 58		

As per our attached Report of even date
For BAGARIA & Co. LLP
Chartered Accountants
Firm Registration No. 113447W/W-100019

Vinay Somani
Partner
Mumbai- 2nd July, 2022



For and on behalf of Board of Directors

Makarand Kulkarni
Makarand Kulkarni
Whole Time Director and CEO
DIN : 01190428
Mumbai- 2nd July, 2022

Chetan Gandhi
Chetan Gandhi
Chief Financial Officer
Mumbai- 2nd July, 2022

Sujata Chattopadhyay
Sujata Chattopadhyay
Chairperson
DIN : 2336683
Mumbai- 2nd July, 2022

P Damania
Paresh Damania
Company Secretary
Mumbai- 2nd July, 2022

POLYGENTA TECHNOLOGIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

Particulars		Note	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I	Income			
	Revenue from Operations	25	1,310.8	1,290.9
	Other Income	26	40.4	5.2
	Total Income		1,351.2	1,296.1
II	Expenses			
	Cost of materials consumed	27	852.2	693.7
	Changes in inventories of finished goods and work-in progress	28	(35.2)	50.9
	Manufacturing and Operating Costs	29	213.8	161.2
	Employee benefits expense	30	197.2	164.8
	Finance costs	31	29.3	10.2
	Depreciation and amortization expense	32	117.6	123.8
	Other expenses	33	73.0	46.5
	Total Expenses		1,447.9	1,251.1
III	Profit / (loss) before tax		(96.7)	45.0
	Exceptional Items	34	(520.0)	-
IV	Profit / (loss) before tax		(616.8)	45.0
V	Tax expense			
	Current tax		-	-
	Deferred tax charge/(credit)		-	-
VI	Profit/(Loss) for the year		(616.8)	45.0
VII	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans		(4.0)	0.3
	Other Comprehensive Income		(4.0)	0.3
VIII	Total Comprehensive Income for the year		(620.8)	45.3
IX	Earnings per equity share (face value Rs. 10 each)	39		
	Basic and Diluted Earning -before exceptional items		(0.42)	0.29
	Basic and Diluted Earning -after exceptional items		(2.67)	0.29
	Significant Accounting Policies	1		
	Accompanying Notes form an integral part of financial statements	2 to 58		

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Mumbai- 2nd July, 2022



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DIN : 2336683
Mumbai- 2nd July, 2022

Paresh Damania
Paresh Damania

Company Secretary

Mumbai- 2nd July, 2022

POLYGENTA TECHNOLOGIES LIMITED
Cash Flow Statement for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Taxation After Exceptional Items	(616.8)	45.0
Adjustment for :		
(Profit) / Loss on sale of Property, Plant and Equipment (net)	-	0.1
Depreciation / amortization	117.6	123.8
Interest and other charges	29.3	10.2
Interest Income	(29.4)	(4.7)
Provision for Doubtful Debts and Advances, Bad Debts	11.8	0.0
Provision no longer required, written back	(2.2)	(0.0)
Exchange loss / (Gain) unrealized	507.4	(0.9)
Operating Profit / (Loss) before Working Capital Changes (Includes current & non Current items)	17.7	173.4
(Increase) / decrease in Inventories	(66.4)	52.9
(Increase) / decrease in Trade Receivables	45.9	(4.0)
(Increase) / decrease in Other Current / Non Current Assets	(180.8)	7.5
Increase / (decrease) in Trade Payables	35.8	(40.3)
Increase / (decrease) in Other Liabilities	4.4	1.3
Cash Generated from Operations	(143.3)	190.8
Taxes paid (Net of refund)	(3.5)	(0.4)
Net Cash Flow (used in)/from Operating Activities (A)	(146.8)	190.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Including CWIP and capital advance)	(193.3)	(31.5)
Sale of Property, Plant and Equipment	-	2.4
Interest received	16.1	1.3
Net Cash Flow (used in) / from Investing Activities (B)	(177.2)	(27.7)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Share Capital	1,300.0	-
Proceeds from long term borrowings	135.7	-
Repayment of long-term borrowings	-	9.6
Repayment of short-term borrowings	(46.0)	(13.6)
Interest paid	(8.3)	(10.0)
Payment of lease liabilities	(5.3)	(0.2)
Net Cash (used in) / from Financing Activities (C)	1,378.1	(14.2)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,052.1	148.4
Cash and cash equivalents at beginning of the year	207.4	59.0
Cash and cash equivalents at end of the year	1,259.5	207.4
Net increase / (decrease) in cash and cash equivalents	1,052.1	148.4

Significant Accounting Policies 1
 Accompanying Notes form an integral part of financial statements 2 to 58

As per our attached Report of even date
 For BAGARIA & Co. LLP
 Chartered Accountants
 Firm Registration No: 113447W/W-100019

Vinay Sarnani
 Vinay Sarnani
 Partner
 Mumbai- 2nd July, 2022



For and on behalf of Board of Directors

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 Whole Time Director and CEO
 DIN : 01190428
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 DIN : 2336683
 Mumbai- 2nd July, 2022

P. Damania
 P. Damania
 Company Secretary
 Mumbai- 2nd July, 2022

POLYGENTA TECHNOLOGIES LIMITED

Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

a EQUITY SHARE CAPITAL

Particulars	NOTES	Mn
As at 31st March, 2020	13	1,562.1
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the previous reporting		1,562.1
Changes in equity share capital during the previous year		-
As at 31st March, 2021	13	1,562.1
Changes in Equity Share Capital due to prior period errors		-
Restated balance at the beginning of the current reporting		1,562.1
Changes in equity share capital during the current year		1,300.0
As at 31st March, 2022	13	2,862.1

b INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	NOTES	Amount Rs in Mn
As at 31st March, 2020	14	3,423.5
Changes in Instrument entirely equity in nature		-
		3,423.5
As at 31st March, 2021	14	3,423.5
Changes in Instrument entirely equity in nature (Refer note 14)		(3,423.5)
As at 31st March, 2022	14	-

c OTHER EQUITY

Particulars	NOTE	Reserves and Surplus		Items of other comprehensive income	Total
		Securities Premium	Retained Earnings	Remeasurements of defined benefit plans	Other Equity
Balance as at 31st March, 2020	15	1,178.8	(4,203.5)	(3.0)	(3,027.8)
Add :Profit/(loss) for the year		-	45.0	-	45.0
Add :Other Comprehensive Income for the year		-	-	0.3	0.3
Balance as at 31st March, 2021	15	1,178.8	(4,158.5)	(2.7)	(2,982.5)
Balance as at 31st March, 2021		1,178.8	(4,158.5)	(2.7)	(2,982.5)
Add :Profit/(loss) for the year		-	(616.8)	-	(616.8)
Add :Other Comprehensive Income for the year		-	-	(4.0)	(4.0)
Balance as at 31st March, 2022	15	1,178.8	(4,775.3)	(6.7)	(3,603.2)
Significant Accounting Policies	1				
Accompanying Notes form an integral part of financial statements	2 to 58				

As per our attached Report of even date

For BAGARIA & Co. LLP

Chartered Accountants

Firm Registration No :113447W/W-100019

Vinay Solmani

Partner

Mumbai- 2nd July, 2022



For and on behalf of Board of Directors

Makarand Kulkarni

Whole Time Director and CEO

DIN : 01190428

Mumbai- 2nd July, 2022

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Paresh Damania

Company Secretary

Mumbai- 2nd July, 2022

POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

I. Background and Operations

Polygenta Technologies Limited ("PTL", "Polygenta" or "the Company"), is engaged in the business of manufacturing sustainable polyester chips ("PET Chips") and filament yarn by recycling post consumer PET flakes using a break-through recycling technology owned by its holding company. These products made by Polygenta using the recycling process are sold for various applications in the fields of apparel, denim, home furnishings, floor coverings, industrial applications, etc.

II. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements. Due to rounding off, the numbers presented throughout the financial statement may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

i. Contingent Liabilities and Contingent Assets

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognized nor disclosed in the financial statements.

ii. Measurement of defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

(c) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Capital Work-in-progress

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as Capital Work in Progress pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets as detailed below :

Category	Useful Life considered for Depreciation
Buildings (including roads)	3- 60 Years
Plant & Equipment	* 7- 25 Years
Furniture & Fixture	10 Years
Office Equipment	3 - 5 Years
Vehicles	8 - 10 Years

* Useful life of Process Machineries are determined based on the internal technical assessment supported by independent evaluation carried out by external valuers. Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life as specified below:

Category	Useful Life
Computer Software and Licenses	3 to 5 years
Right to Use	5 years

The management believes that the useful life as given above is the best representation of the period over which the management expects to use these assets.

The Company reviews the useful lives and residual value at each reporting date. Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded. Leasehold Land is amortized over the period of lease.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains/Losses on disposal/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.

(d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost.

(e) Intangible assets

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The Company amortizes computer software with a useful life using the straight-line method over the period of 6 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(f) Lease

As a lessee

As a lessee : The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(g) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than one year. These balances with banks are unrestricted for withdrawal and usage.

(h) Other bank balances

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

(i) Inventories



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Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

(j) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss and recognized in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

Dividend

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

(k) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

(l) Borrowings

Borrowings are initially recognized at net of transaction costs incurred and subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of borrowings using the effective interest method.

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(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

(n) Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

(o) Revenue recognition

Revenue From Contracts With Customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods:

Revenue from the sale of goods is recognized when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Other Income

Dividend income on investments is recognized when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

Handwritten initials and signatures in blue ink.



POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

Contract balances:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is formerly. Contract liabilities are recognized as revenue when the company performs under the contract

(p) Employee benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. The Company has an obligation to make good the shortfall, if any.

Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

(q) Foreign currency transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are *excepted to apply* when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

The Company is engaged in the business of manufacturing and selling polyester Chips and filament yarn (PFY) based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the CEO/Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators on this single business segment.

(u) Government Grants:

Grants received against specific Property, Plant and Equipment are adjusted to the cost of the assets and those in the nature of promoters' contribution are credited to capital reserve. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

RECENT INDIAN ACCOUNTING STANDARDS (IND AS) Ministry of Corporate Affairs (MCA) has notified new standards or amendments to the existing standards :



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments, if applicable.

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2 Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-in-Progress
Gross Carrying Amount:									
As at 1st April, 2021	1.1	355.7	1,920.7	0.6	4.4	-	3.6	2,286.0	7.3
Additions	58.7	-	5.1	0.1	0.2	-	2.5	66.5	90.9
Capitalised during the year	-	-	-	-	-	-	-	-	-
Discarded/Impairment Provision	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	59.8	355.7	1,925.7	0.7	4.5	-	6.0	2,352.5	98.2
Accumulated Depreciation:									
As at 1st April, 2021	-	70.5	644.0	0.4	4.1	-	1.5	720.5	-
Depreciation charge for the year	-	14.2	99.4	0.1	0.2	-	1.5	115.5	-
Disposals	-	-	-	-	-	-	-	-	-
Discarded	-	-	-	-	-	-	-	-	-
As at 31st March, 2022	-	84.8	743.5	0.5	4.2	-	3.0	836.0	-
Net Carrying Amount:									
As at 31st March, 2021	1.1	285.1	1,276.6	0.2	0.3	-	2.1	1,565.5	7.3
As at 31st March, 2022	59.8	270.9	1,182.3	0.2	0.3	-	3.1	1,516.5	98.2

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-in-Progress
Gross Carrying Amount:									
As at 1st April, 2020	1.1	355.7	1,921.6	0.5	4.2	-	1.4	2,284.5	162.9
Additions	-	-	4.3	0.0	0.2	-	2.2	6.7	7.3
Disposals	-	-	-	-	-	-	-	-	-
Discarded/Impairment Provision	-	-	5.2	-	-	-	0.0	5.2	162.9
As at 31st March, 2021	1.1	355.7	1,920.7	0.6	4.4	-	3.6	2,286.0	7.3
Accumulated Depreciation:									
As at 1st April, 2020	-	56.3	538.5	0.3	3.8	-	1.1	599.9	-
Depreciation charge for the year	-	14.2	108.2	0.1	0.3	-	0.4	123.3	-
Disposals	-	-	-	-	-	-	-	-	-
Discarded	-	-	2.7	-	-	-	0.0	2.7	-
As at 31st March, 2021	-	70.5	644.0	0.4	4.1	-	1.5	720.5	-
Net Carrying Amount:									
As at 31st March, 2020	1.1	299.4	1,383.1	0.2	0.4	-	0.3	1,684.5	162.9
As at 31st March, 2021	1.1	285.1	1,276.6	0.2	0.3	-	2.1	1,565.5	7.3

Capital-Work-in Progress (CWIP) Ageing schedule

Particulars	Amount of CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2022 - Projects in progress					
Growth Projects	58.9	7.3	-	-	66.2
Others including productivity improvement project	32.0	-	-	-	32.0
Projects temporarily suspended	-	-	-	-	-
Total	90.9	7.3	-	-	98.2
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2021 - Projects in Progress					
Growth Projects	7.3	-	-	-	7.3
Others including productivity improvement project	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	7.3	-	-	-	7.3

Notes:

- 1 Refer Note 40 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.
- 2 Refer Note 38 for the details in respect Capital Commitments.



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

3 Intangible assets

Particulars	Computer Software	Total
Gross Carrying Amount		
As at 1st April, 2021	2.4	2.4
Additions	0.3	0.3
As at 31st March, 2022	2.7	2.7
Accumulated Amortisation		
As at 1st April, 2021	1.0	1.0
Amortisation charge for the year	0.5	0.5
As at 31st March, 2022	1.5	1.5
Net Carrying Amount		
As at 1st April, 2021	1.4	1.4
As at 31st March, 2022	1.2	1.2

Particulars	Computer Software	Total
Gross Carrying Amount		
As at 1st April, 2020	1.2	1.2
Additions	1.2	1.2
As at 31st March, 2021	2.4	2.4
Accumulated Amortisation		
As at 1st April, 2020	0.7	0.7
Amortisation charge for the year	0.3	0.3
As at 31st March, 2021	1.0	1.0
Net Carrying Amount		
As at 1st April, 2020	0.6	0.6
As at 31st March, 2021	1.4	1.4

4 Right to Use

Particulars	Land & Building	Total
Gross Carrying Amount		
As at 1st April, 2021	16.2	16.2
Additions	4.3	4.3
As at 31st March, 2022	20.5	20.5
Accumulated Amortisation		
As at 1st April, 2021	0.1	0.1
Amortisation charge for the year	1.6	1.6
As at 31st March, 2022	1.7	1.7
Net Carrying Amount	18.8	18.8
As at 1st April, 2021	16.1	16.1
As at 31st March, 2022	18.8	18.8

Particulars	Land & Building	Total
Gross Carrying Amount		
As at 1st April, 2020	-	-
Additions	16.2	16.2
As at 31st March, 2021	16.2	16.2
Accumulated Amortisation		
As at 1st April, 2020	-	-
Amortisation charge for the year	0.1	0.1
As at 31st March, 2021	0.1	0.1
Net Carrying Amount	16.1	16.1
As at 1st April, 2020	-	-
As at 31st March, 2021	16.1	16.1



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

5 Other Financial Assets - Non Current

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Security Deposit Considered Good	5.2	5.4
Security Deposit Considered Doubtful	0.2	-
Less :Provision for Doubtful Receivables	(0.2)	-
Sub-Total	5.2	5.4
Fixed Deposit with Bank		
Fixed Deposit	40.0	-
Pledged Against Bank Guarantees Issued & Forward Contract	30.8	-
Total	76.0	5.4

6 Other non - current assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advance		
Considered good	40.3	4.6
Considered doubtful	3.8	3.8
Less: Provision for Doubtful Advances	(3.8)	(3.8)
Net capital Advance	40.3	4.6
Prepaid Expenses	47.3	0.2
Total	87.6	4.8

7 Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials	31.9	20.3
Work-in-progress	35.0	27.6
Finished goods	77.6	49.8
(Includes Goods in Transit Rs. 3.8 Mn; Previous year Rs.7.7 Mn)		
Packing Materials	8.4	6.7
Stores and Spares	60.0	42.1
Total	213.0	146.6

Inventories written down are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. During the year, such write-downs (including provisions for slow/ non-moving inventory) aggregated to Rs.7.0 mn (previous year Rs. 3.2 mn) and have been recognised as an expense under Raw Material Consumption in statement of Profit and Loss.

Refer Note 40 for the details in respect of inventories hypothecated as security for borrowings and Note 43(v) for Covid 19 Risk

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POLYGENTA TECHNOLOGIES LIMITED
Notes to the financial statements as at and for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

8 Trade receivables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered Good-Secured	-	-
Considered Good-Unsecured	96.6	141.7
Trade Receivable Unsecured having significant increase in credit risk	-	-
Trade Receivable Unsecured -Credit Impaired	-	-
Less: Allowance for bad and doubtful debts.	96.6	141.7
Total	96.6	141.7

Particulars	As at March 31, 2022					Total
	Outstanding for following periods from the date of invoice					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –considered good	95.8	0.0	0.7	-	-	96.6
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	95.8	0.0	0.7	-	-	96.6

Particulars	As at March 31, 2021					Total
	Outstanding for following periods from the date of invoice					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –considered good	139.3	1.4	1.0	-	-	141.7
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	139.3	1.4	1.0	-	-	141.7

9 Cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
- In current accounts	3.3	13.2
- Fixed deposits with original maturity of less than 3 months	535.0	21.4
- Surplus in cash credit accounts	77.2	-
Cash on hand	0.0	0.3
Total	615.5	34.9

10 Other Bank Balances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed Deposit with Bank		
Fixed deposits with original maturity more than 3 months but less than 12 months	474.0	153.9
Pledged against bank guarantees issued & Forward Contract		
Fixed deposits with original maturity more than 3 months but less than 12 months	170.0	18.6
Total	644.0	172.5

11 Other financial assets - Current

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued but not due on Fixed Deposits	12.8	0.6
Loan to Suppliers (Fixed Interest rate 12% per annum)*	30.0	-
Total	42.8	0.6

* Details of the loan to supplier as required under section 186(4) of the Companies Act, 2013 are as follows:

- Name of the supplier : Dalmia Polypro Industries Private Limited
- Relation : Raw Material Supplier
- Amount : Rs 30 mn
- Purpose : Business Support
- Balance (31 March 22) : Rs 30 mn (repaid subsequent to the year end)



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

12 Other current assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered Good :		
Export benefit receivable	3.3	1.1
Mega Project Incentive Receivable	25.0	15.5
Electricity Subsidy Receivable	-	11.6
Prepaid expenses	4.8	1.0
Balances with Government Authorities	33.4	19.4
Advances to Suppliers	27.7	10.6
Advance to Holding Company	-	9.5
Expenses reimbursement from Holding Company	-	1.4
Advances to Staff	0.2	-
Sub-Total	94.5	70.1
Considered Doubtful :		
Electricity Subsidy Receivable	11.6	-
Less :Provision for Doubtful Receivables (Refer note 34)	(11.6)	-
Sub-Total	-	-
Total	94.5	70.1

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

13 Equity Share capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised		
Equity shares, of Rs.10 each 300,000,000 Nos. (31st March, 2021 - 240,000,000 Nos)	3,000.0	2,400.0
Issued, subscribed and fully paid up		
Equity shares, of Rs.10 each 286,206,544 Nos. (31st March, 2021- 156,206,544 Nos.)	2,862.1	1,562.1
Total	2,862.1	1,562.1

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	Rs. In Mn	Number of shares	Rs. In Mn
Equity Shares :				
Balance as at the beginning of the year	15,62,06,544	1,562.1	15,62,06,544	1,562.1
Add: Shares issued during the year	13,00,00,000	1,300.0	-	-
Less: Shares bought back during the year	-	-	-	-
Balance as at the end of the year	28,62,06,544	2,862.1	15,62,06,544	1,562.1

b) Terms/rights attached to Equity Shares

- Equity shares having a par value of Rs.10, Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. In the event of dividend being declared by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Number of Equity Shares	
Equity Shares:		
Revalyu Resources GmbH (formerly known as PerPETual Technologies GmbH) - (Holding Company)	28,13,33,646 98.3%	14,93,29,911 95.6%

(d) Details of Promoters shareholding :

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Number of Equity Shares	
Equity Shares:		
Revalyu Resources GmbH (formerly known as PerPETual Technologies GmbH) -	28,13,33,646 98.3%	14,93,29,911 95.6%

- e) Pursuant to the members' approval dated 9th January, 2020 and after compliance with the necessary requirements of SEBI (Delisting of Equity Shares) Regulations, 2009 in respect of voluntary delisting of the equity shares of the Company, the trading of equity shares at the Bombay Stock Exchange (BSE) was discontinued with effect from 23rd April, 2020 and the equity shares were delisted with effect from 30th April, 2020. As directed by BSE, the exit option was kept open by the acquirer of the company i.e. Performance Recycling Limited (formerly known as Perpetual Global Technologies Limited), for the remaining public shareholders for a period of two years from the date of delisting (30 April 2020) at the rate of Re. 1/- (Rupee One only) per Equity Share, being the exit price determined.

f) In the Period of five years immediately preceding March, 2022:

The Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

14 Instrument (ECB) considered equity in nature

Particulars	As at 31st March, 2022	As at 31st March, 2021
External Commercial Borrowings From Holding Company * (Refer note 16)	-	3,423.5
Total	-	3,423.5

*The Company received ECBs aggregating to USD 19.9 mn and Euro 24.3 mn from its holding company during the period from FY10 to FY21. The Company further received funds aggregating to USD 0.1 mn and Euro 1.5 mn against these ECBs during FY22. These ECBs including interest due thereon were disclosed as "Instrument (ECB) considered equity in nature" as per IND-AS 109 in the financial statements for the financial year ended March 31, 2021. The Company has now agreed on the terms and conditions for these ECBs including interest to be charged and the repayment dates and accordingly as of March 31, 2022 these have been reclassified under Long Term Borrowings. Please also refer note [16].

15 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities premium (as per last balance sheet)	1,178.8	1,178.8
Retained Earnings	(4,775.3)	(4,158.6)
Items of Other Comprehensive Income :		
Remeasurements of defined benefit plans	(6.7)	(2.7)
Total	(3,603.3)	(2,982.5)

16 Non Current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
External Commercial Borrowings From Holding Company * (Interest rate - 6 months LIBOR/EURIBOR/applicable reference rate (as applicable) + 1% margin Payable in four installments beginning from 15th March, 2031)	3,645.6	-
Secured		
Inter Corporate Loan (Interest rate is 16.25% p.a for Rs 18.2 Mn, Payable in quarterly installments) (Interest rate is 14.00% p.a for Rs 9.6 Mn , Payable in monthly installments)	-	27.8
Total	3,645.6	27.8

*Pursuant to the Amendatory Agreement dated June 14, 2022 entered between the Company and its Holding Company, the shareholder loans have been reclassified from "Instruments considered equity in nature" to "Long Term Borrowings (LTB) - Unsecured". Consequent to the reclassification, the Company has restated the outstanding balances based on the closing exchange rate as of 31 March, 2022 and recognized net exchange loss of Rs. 508.3 mn disclosed as Exceptional Items which comprises of restated exchange loss of Rs.607.6 mn for the period from April 1, 2017 to March 31, 2021 and Exchange Gain of Rs. 99.2 mn for the period from April 1, 2021 to March 31, 2022. The said LTB is required to be repaid in 4 (four) equal installments to be due on March 15, 2031, September 15, 2031, March 15, 2032; and September 15, 2032.

Further, the said ECB will carry interest rate of 6 months LIBOR/Euribor (as applicable) + 1% margin. Accordingly, the Company has accrued interest expense for the period from October 1, 2021 to March 31, 2022 Rs. 19.1 mn

These unsecured loans shall remain subordinated to project debt that will be provided by DEG - DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH ("DEG") and INVESTERINGSFONDEN FOR UDVIKLINGSLANDE ("IFU") as per the terms of the Term Facility Agreement executed on February 22, 2022 between the Company, DEG and IFU.



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Non Current Financial Liabilities - Other Financials Liabilities

17 Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued but not Due on Long Term Borrowings	430.1	-
Total	430.1	-

18 Non Current Financial Liabilities - Lease Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities	15.8	15.4
Total	15.8	15.4

19 Current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
<u>Secured</u>		
Current maturities of long-term debt (Interest rate was 16.25% p.a for Rs 18.2 Mn, Payable in quarterly installments)	-	18.2
Total	-	18.2

20 Current Financial Liabilities - Lease Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturities of lease liabilities	1.0	0.9
Total	1.0	0.9

21 Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Outstanding dues of micro and small enterprises	16.3	22.6
Dues payable to Employees	11.5	12.3
Outstanding dues of creditors other than micro and small enterprises	83.4	40.5
Total	111.2	75.4

Trade payable ageing schedule :
As at March 31, 2022

Particulars	Outstanding for following periods from the date invoice				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	16.3	-	-	-	16.3
(ii) Others	92.3	0.9	1.1	0.5	94.9
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	108.6	0.9	1.1	0.5	111.2

Trade payable ageing schedule :
As at March 31, 2021

Particulars	Outstanding for following periods from the date invoice				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	22.6	-	-	-	22.6
(ii) Others	51.1	1.1	0.4	0.1	52.8
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	73.7	1.1	0.4	0.1	75.4

22 Other financial liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Payable towards capital creditors	10.9	4.4
Total	10.9	4.4



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23 Other Current liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	3.2	1.4
Statutory Dues payable	6.7	3.4
Total	10.0	4.8

24 Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits :		
Provision for Gratuity-Funded (Refer note 42)	20.1	14.0
Provision for Compensated Absences	6.2	4.4
Total	26.3	18.4

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

25 Revenue from Operations

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Sales of Goods		
- Manufactured goods	1,256.9	1,267.4
Other operating revenue		
Export Incentive	10.8	12.5
Process waste sale	11.2	9.3
Mega Project Incentive (Refer note below)	20.3	-
Electricity Subsidy Incentive	-	1.7
Export incentive under RODtep Scheme	11.5	-
Total	1,310.8	1,290.9

During the year, the Company has got an extension of further period of five years (i.e. up to June '15, 2024) entitling it to certain mega project incentives interalia SGST refund under the Industrial Promotion Scheme, 2013 of the Government of Maharashtra.

Consequently, SGST refund receivable of Rs. 13.7 mn (including Rs 13.03 mn relating to the period from July 1, 2019 to March 31, 2021) has been recognised and included in Income from operations for the year.

26 Other income

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Interest income on fixed deposits and others	29.4	4.7
Provision and Liabilities no longer payable written back	2.2	0.0
Provision for doubtful debts written back on recovery	-	0.4
Other non-operating income	0.2	0.1
Gain on Foreign Exchange (net)	8.6	-
Total	40.4	5.2

27 Cost of materials consumed

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Raw Materials consumed	750.5	621.4
Packing Materials consumed	57.0	45.8
Consumables & Spares consumed	44.7	26.6
Total	852.2	693.7

28 Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Opening inventories		
Finished goods	49.8	98.1
Work-in-progress	27.6	30.3
Closing inventories		
Finished goods	77.6	49.8
Work-in-progress	35.0	27.6
Total	(35.2)	50.9

29 Manufacturing and Operating Costs

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Power and Fuel	188.3	157.9
Repairs to Machinery	17.1	3.2
Machine Hire Charges	0.7	0.1
Royalty on production to Holding Company	7.7	-
Total	213.8	161.2

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30 Employee benefits expense

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Salaries and wages	173.3	146.9
Contribution to provident funds and other funds	8.6	7.3
Defined benefit plan expense	6.0	3.3
Workmen and Staff welfare expenses	9.3	7.3
Total	197.2	164.8

31 Finance costs

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Interest expense on ECB	19.1	-
Interest expense on borrowings from Banks	1.1	-
Interest expense on borrowings from others	2.4	9.0
Interest component of lease liabilities	2.0	0.5
Other borrowing costs	4.6	0.7
Total	29.3	10.2

32 Depreciation and amortization expense

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Depreciation on Property, Plant and Equipment	115.5	123.4
Amortization of Right to use assets	1.6	0.1
Amortization on Intangible assets	0.5	0.3
Total	117.6	123.8

33 Other expenses

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Repairs & Maintenance Others	1.7	2.0
Insurance	2.8	2.6
Rent	0.6	0.9
Rates and Taxes	7.0	4.0
Expenses towards Increase in authorised share capital	4.7	4.8
Auditors' Remuneration*	0.9	0.9
Legal and Professional Expenses	34.4	15.0
Bad Debts written off	0.0	0.0
Commission to selling agents	9.9	6.4
Freight expenses	5.1	3.8
Travelling & Conveyance	1.7	1.2
Communication expenses	0.7	0.7
Postage & Courier	0.4	0.2
Loss on Foreign Exchange (net)	-	1.7
Loss on Sale of Property, Plant and Equipment	-	0.1
Miscellaneous Expenses	3.0	2.3
Total	73.0	46.5

***Auditors' remuneration (excluding taxes)**

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
- Audit Fees	0.6	0.6
- Limited Review Fees	0.3	0.3
Total	0.9	0.9

34 Exceptional Items- Expenses

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Foreign exchange loss on ECB (net)- (Refer note no.16)	508.3	-
Provision for Electricity Subsidy Benefit receivable recognised in earlier years (Refer note below)	11.8	-
Total	520.0	-

Note:

Electricity Subsidy Benefit receivable recognised in earlier years Rs. 11.5 mn has been provided for, being long overdue receivable. However, management is making concerted efforts to recover the the same as at the earliest.

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POLYGENTA TECHNOLOGIES LIMITED
Notes to the financial statements As at and For The Year Ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

35 Income Taxes

Tax expense recognized in the Statement of Profit and Loss

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current tax	-	-
Deferred tax	-	-
Total income tax expense	-	-

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Reconciliation of effective tax rate	As at 31st March, 2022	As at 31st March, 2021
Profit/(Loss) before tax	(620.8)	45.3
Enacted income tax rate in India	26.00%	26.00%
Computed Expected Tax Expense	(161.4)	11.8
Differences due to:		
Deferred tax assets not recognized as a matter of prudence	161.4	-
Brought forward loss/ depreciation set-off	-	(11.8)
Income tax expense/(credit) recognised in Profit and loss	-	-

Movement Deferred tax (assets)/liabilities:

Particulars	As at 31st March, 2020	Movement during the year	As at 31st March, 2021	Movement during the year	As at 31st March, 2022
Deferred Tax Assets :					
Provision for doubtful debts and advances	1.1	(0.1)	1.0	3.0	4.1
Expenses allowable for tax purposes on payment basis	4.3	0.4	4.7	2.1	6.8
Unabsorbed Losses & Depreciation	1,255.3	(17.4)	1,237.9	(621.7)	616.2
Deferred Tax Assets-Total	1,260.8	(17.1)	1,243.7	(616.6)	627.1
Deferred Tax Liabilities					
Difference in Written down value of Property, Plant and Equipment	252.4	1.7	254.1	(499.3)	(245.2)
Deferred Tax Liabilities-Total	252.4	1.7	254.1	(499.3)	(245.2)
Net Deferred Tax assets	1,008.4	(18.8)	989.6	(117.3)	872.2
Net Deferred tax assets not recognized	(1,008.4)	18.8	(989.6)	117.3	(872.2)
Deferred Tax Liability/(Asset) recognised in Balance sheet	-	-	-	-	-



POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

36 Going Concern

Over the years we have put significant efforts in debottlenecking our plant for increasing our operating capacity, improving our plant and thereby product performance, and introducing new and value added products (e.g. fine denier yarns, speciality yarns like fully drawn yarn etc) in our product offerings. All of these efforts have resulted in gradual improvement in company's financial performance over time. This is evident from the fact that we have been generating cash profits since financial year 2019-20. This is despite the fact that most of the industries have been adversely impacted in the past two years by Covid-19 pandemic.

The Company has further debottlenecked its existing plant during the recent maintenance shut down in the fourth quarter to improve the operating capacities of the existing operations which would further enhance our profitability. Additionally, the Company has also embarked into its expansion journey by commencing the work on setting up two plants Flakes to PET Chips plant having an installed capacity of 100 Tons Per Day (i.e. 2 X 100 Tons Per Day Flakes to PET Chips Plan).

This expansion project will be+B27 financed by the mix of equity from the holding company viz. Revalyu Resources GmbH (formerly known as perpetual Technologies GmbH) ("Revalyu") and project debt to be provided by DEG and IFU as per the terms of the Term Facility Agreement dated February 22, 2022 executed between the Company, DEG and IFU.

During FY22, Revalyu has already invested Rs 1300 mn as its equity contribution for this expansion project. Additionally, during the year, Revalyu has also provided ECB for purchasing additional land required for the expansion project. The management has performed impairment test and is of the view that there is no impairment in the value of Property, Plant and Equipment.

Considering what is stated above, the accounts are prepared based on the Principal of a Going Concern.

37 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March,2022	As at 31st March,2021
Contingent Liabilities		
Claims against the Company not acknowledged as debts in respect of past disputed liabilities.		
-Claims in respect of various pending litigations	2.9	2.9
Total	2.9	2.9

The Company's pending litigations comprise of claims against the Company and proceedings pending with labour and other litigations. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements.

38 Capital Commitment

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	As at 31st March,2022	As at 31st March,2021
Contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature net off advances/already booked as liabilities.	276.9	0.8
Net Capital commitments	276.9	0.8

39 Earnings per share (EPS)

Particulars	2021-22	2020-21
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year before exceptional items-Rs in Mn	(96.7)	45.0
Add: Exceptional items Rs. in Mn	(520.0)	-
Profit/(Loss) for the year after exceptional items-Rs in Mn	(616.8)	45.0
Weighted average number of equity shares outstanding(in Numbers) (Face value of Rs. 10 per share)	23,11,38,051	15,62,06,544
Basic & Diluted EPS before exceptional items (Rs)	(0.42)	0.29
Basic & Diluted EPS after exceptional items (Rs)	(2.67)	0.29

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

40 Borrowings, outstanding interest on borrowings and Security

Borrowings

Particulars	As at 31 March 22		
	Secured	Unsecured	Total
Non-Current			
External Commercial Borrowings From Holding Company	-	3,645.6	3,645.6
Interest Accrued But Not Due on Long Term Borrowings from Holding Company	-	430.1	430.1
From Banks	-	-	-
From financial institutions	-	-	-
Total	-	4,075.7	4,075.7
Current			
External Commercial Borrowings From Holding Company	-	-	-
Interest Accrued and Due on Long Term Borrowings from Holding Company	-	-	-
From Banks	-	-	-
From financial institutions	-	-	-
Total	-	-	-
Total	-	4,075.7	4,075.7

Particulars	As at 31 March 21		
	Secured	Unsecured	Total
Non-Current			
External Commercial Borrowings From Holding Company	-	-	-
Interest Accrued But Not Due on Long Term Borrowings from Holding Company	-	-	-
From Banks	-	-	-
From financial institutions	27.8	-	27.8
Total	27.8	-	27.8
Current			
External Commercial Borrowings From Holding Company	-	-	-
Interest Accrued and Due on Long Term Borrowings from Holding C	-	-	-
From Banks	-	-	-
From financial institutions	18.2	-	18.2
Total	18.2	-	18.2
Total	46.0	-	46.0

Notes:

- 1 As of 31 March 2022, there was no secured borrowings that was outstanding. As of 31 March 2021, the outstanding borrowings of INR 46 mn was secured by charge on fixed and current assets of the company (except for fixed deposits against which the company had availed overdraft facility).
- 2 During the year, the Company has entered into working capital financing document with ICICI Bank for providing working capital limits of Rs 150 mn. This is secured by way of first charge on current assets and second charge on fixed

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

41 Related Party Disclosure :

A. Relationships:

1 Where control exists.

revalyu Resources GmbH (formerly known as PerPETual Technologies GmbH) - Germany, Holding Company
Performance Recycling Limited (formerly known as 'PerPETual Global Technologies Ltd.) Mauritius, Group/ Associate Company (As on 31 March 2021 -Ultimate Holding Company)

2 Key Management Personnel:

Mr. Makarand Kulkarni - Whole-time Director and CEO (w.e.f. 1 January 2022) (CEO upto 31 December 2021)
Mr. Dhanvant Yeola- Executive Director
Mr. Paresh Damania – Company Secretary
Mr. Chetan Gandhi – Chief Financial Officer (w.e.f. 1 July 2020)
Mr. Rakesh Gaikwad - Chief Financial Officer (upto 30 June 2020)
Mrs. Sujata Chattopadhyay- Non Executive Independent Director
Mr. Ghanshyam Karkera- Non Executive Independent Director
Mr. Deepak Shetty- Non Executive Independent Director (w.e.f. 3 December 2020)

B. Transactions carried out with related parties referred in A above, in the ordinary course of business:

Nature of transactions	Performance Recycling Limited (PRL)	revalyu Resources GmbH(rRG)	Key Management personnel
ECB along with accrued interest assigned to rRG	(3,423.50)		
ECB along with accrued interest assigned from PRL		(3,423.50)	
Advance Paid	(-)	(9.5)	
Recovery / Adjustment of Advance Paid	(-)	9.5	
Expenses reimbursement recoverable	1.4	(-)	
Royalty Expense	(1.4)	(-)	
Interest on ECBs	(-)	7.7	
License Fees	(-)	19.1	
Sitting Fees paid to Non Executive Directors		(-)	1.8
Commission to Non Executive Directors			(0.9)
Managerial Remuneration			(0.4)
Makarand Kulkarni (Refer note (iii) below)			12.7
Dhanvant Yeola			(7.9)
Chetan Gandhi			6.3
Rakesh Gaikwad			(2.8)
Paresh Damania			4.1
Closing Balances			(2.5)
External Commercial Borrowings (ECBs*)		3,645.6	
Interest Payable on ECBs*		(3,040.2)	
Royalty Payable		430.1	
Remuneration Payable		(383.3)	
Commission payable to Non Executive Directors		3.1	
Sitting Fees payable to Non Executive Independent Directors		(-)	
Makarand Kulkarni			(0.4)
Dhanvant Yeola			0.1
Chetan Gandhi			(-)
Paresh Damania			0.8
			(0.7)
			0.3
			(0.2)
			0.3
			(0.2)
			0.2
			(0.2)

* ECBs are considered as "Instrument entirely equity in nature" upto 31 March 2021.

Previous year figures are in brackets

Notes:

- Related parties have been identified by the Management and relied upon by the auditors.
- No amount has been provided for/written off/written back, pertaining to related parties
- Subject to approval of shareholders in the ensuing Annual General Meeting



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

42 Post retirement benefit plans

As per Actuarial Valuation as on 31st March, 2022 and 31st March, 2021 and recognized in the financial statements in respect of Employee Benefit Schemes:

DEFINED BENEFIT PLANS :

A. Balance Sheet

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of plan liabilities	24.1	17.7
Fair value of plan assets	3.3	3.8
Plan liability net of plan assets	20.8	14.0

B. Movements in plan assets and plan liabilities

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 31st March, 2021	3.8	17.7	14.0
Current service cost	-	1.8	1.8
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	(0.0)	-	0.0
Interest cost	-	1.2	1.2
Interest income	0.3	-	(0.3)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0.0)	(0.0)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(0.9)	(0.9)
Actuarial (gain)/loss arising from experience adjustments	-	4.9	4.9
Employer contributions	-	-	-
Benefits payments	(0.6)	(0.6)	-
As at 31st March, 2022	3.3	24.1	20.8

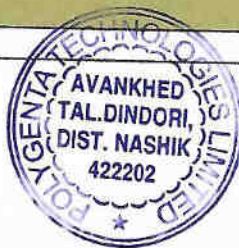
Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 31st March, 2020	6.0	17.6	11.6
Current service cost	-	1.8	1.8
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	0.2	-	(0.2)
Interest cost	-	1.2	1.2
Interest income	0.4	-	(0.4)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.1	0.1
Actuarial (gain)/loss arising from changes in financial assumptions	-	0.1	0.1
Actuarial (gain)/loss arising from experience adjustments	-	(0.4)	(0.4)
Employer contributions	-	-	-
Benefit payments	(2.8)	(2.8)	-
As at 31st March, 2021	3.8	17.7	14.0

C. Statement of Profit and Loss

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Employee Benefit Expenses:		
Current service cost	1.8	1.8
Total	1.8	1.8
Finance cost/(income)	1.0	0.8
Net impact on the Profit / (Loss) before tax	2.8	2.6
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net	0.0	(0.2)
Actuarial gains/(losses) on obligation for the year	4.0	(0.1)
Net impact on the Other Comprehensive Income before tax	4.0	(0.3)

D. Defined benefit plans Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Insurance Fund	3.3	3.8



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E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial Assumptions		
Discount rate	7.23%	6.80%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	239	230
Per Month Salary For Active Members (Rs. Mn)	5.0	3.7
<i>Weighted Average Duration of the Projected Benefit Obligation</i>	10	10

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14) Urban; (Previous Year :Indian Assured Lives Mortality (2006-08) Ultimate)

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Current Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(1.9)	2.2
Salary Escalation Rate	1%	2.2	(1.9)
Employee Turnover	1%	0.2	(0.2)

Previous Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(1.5)	1.7
Salary Escalation Rate	1%	1.7	(1.5)
Employee Turnover	1%	0.1	(0.1)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. Maturity analysis of the benefits payment from the fund:

Projected benefits payable in future years from the date of reporting	As at 31st March, 2022	As at 31st March, 2021
1st Following year	1.4	1.2
2nd Following year	0.9	0.6
3rd Following year	1.6	0.7
4th Following year	4.1	1.2
5th Following year	1.4	3.0
Sum of years 6 to 10	11.4	6.9
Sum of years 11 years and above	30.6	23.0

The weighted average duration of the defined benefit obligation is 10 years (2021 - 10 years)

H. The Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

I. Compensated Absences:

The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.



43 **Financial risk management objectives and policies**

The Company has developed a Risk Management Policy. It seeks to identify risks inherent in the Company's business operations and provide guidelines to define, measure, report, control and mitigate the identified risks. The objective of the Company's Risk Management Policy is to create and protect shareholder value by prudently minimising threats or losses, and identifying and maximising opportunities. The policy endeavours to provide a practical enterprise-wide risk management framework that fosters employees integrating risk management into their everyday work.

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

i. **Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. Such risks are overseen by the Company's finance department as well as senior management.

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	2021-2022	2020-2021
50 bp increase in interest rate - decrease in profits	(3.8)	-
50 bp decrease in interest rate - Increase in profits	1.2	-

ii. **Market Risk- Foreign currency risk.**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Derivative instruments hedged and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In Mn)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Forward contracts to sell USD	USD	4,50,000.00	-
Forward contracts to sell EURO	EURO	35,000.00	-

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March, 2022

(Foreign currency In Mn)

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	0.7	0.0
Trade payables and Advance from Customers	0.3	0.4

As at 31st March, 2021

(Foreign currency In Mn)

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	0.85	0.10
Trade payables and Advance from Customers	0.03	-

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

Rs. in Mn

Particulars	As at 31st March, 2021		
	1% decrease	1% Increase	1% decrease
EURO	0.4	0.1	(0.1)
USD	(0.4)	0.6	(0.6)
Increase / (decrease) in profit or loss	0.0	0.7	(0.7)

iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral security or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. However, Company creates provision much sooner wherever recoveries seems doubtful. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Ageing of Account receivables -Please refer note 8

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The Company had access to following undrawn Borrowing facilities at end of reporting period:

Particulars	2021-2022	2020-2021
Variable Borrowing - Cash Credit expires within 1 year	150	-

Maturity patterns of borrowings

Particulars	2021-2022			
	0-1 years	1-5 years	beyond 5	Total
Long term borrowings (Including current maturity of long term debt)	-	-	3,645.6	3,645.6
Short term borrowings	-	-	-	-
Expected Interest payable	-	136.7	853.9	990.6
Total	-	136.7	4,499.5	4,636.2

Particulars	2020-2021			
	0-1 years	1-5 years	beyond 5	Total
Long term borrowings (Including current maturity of long term debt)	18.2	27.8	-	46.0
Short term borrowings	-	-	-	-
Expected Interest payable	7.6	6.7	-	14.2
Total	25.7	34.4	-	60.2

Maturity patterns of other Financial Liabilities

2021-2022	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	111.2	-	-	-	111.2
Other Financial liabilities (Current and Non Current)	10.9	-	-	-	10.9
Total	122.1	-	-	-	122.1

2020-2021	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	75.4	-	-	-	75.4
Other Financial liabilities (Current and Non Current)	4.4	-	-	-	4.4
Total	79.8	-	-	-	79.8

v IMPACT OF COVID-19

The Company has considered the possible impact of COVID-19, inter-alia, realisability of inventories and recoverability of Trade receivables, in preparation of the financial statement. The impact of the global health pandemic may be different from that estimated as at the date of approval of the financial statement. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.



POLYGENTA TECHNOLOGIES LIMITED
Notes to the financial statements as at and for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

44 Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans & security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2022

Particulars	Routed through P & L			Routed through OCI			Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3			
Other Financial Assets	76.0	42.8	118.8	-	-	-	118.8	-	118.8
Trade receivable	-	96.6	96.6	-	-	-	96.6	-	96.6
Cash and Cash equivalents	-	615.5	615.5	-	-	-	615.5	-	615.5
Other Bank Balance	-	644.0	644.0	-	-	-	644.0	-	644.0
	76.0	1,398.9	1,474.9	-	-	-	1,474.9	-	1,474.9
Financial Liabilities									
Borrowings	3,645.6	-	3,645.6	-	-	-	3,645.6	-	3,645.6
Trade Payables	-	111.2	111.2	-	-	-	111.2	-	111.2
Other Financial Liabilities	445.91	10.9	456.8	-	-	-	456.8	-	456.8
	4,091.5	122.1	4,213.6	-	-	-	4,213.6	-	4,213.6



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

Financial Assets and Liabilities as at 31st March, 2021

Particulars	Non Current	Current	Total	Routed through P & L					Routed through OCI	Carrying at amortised cost	At Cost	Total
				Level 1	Level 2	Level 3	Total					
Financial Assets												
Other Financial Assets	5.4	0.6	6.0	-	-	-	-	-	6.0	-	6.0	
Trade receivable	-	141.7	141.7	-	-	-	-	-	141.7	-	141.7	
Cash and Cash equivalents	-	34.9	34.9	-	-	-	-	-	34.9	-	34.9	
Other Bank Balance	-	172.5	172.5	-	-	-	-	-	172.5	-	172.5	
	5.4	349.7	355.1	-	-	-	-	-	355.1	-	355.1	
Financial Liabilities												
Borrowings	27.8	18.2	46.0	-	-	-	-	-	46.0	-	46.0	
Trade Payables	-	75.4	75.4	-	-	-	-	-	75.4	-	75.4	
Other Financial Liabilities	-	4.4	4.4	-	-	-	-	-	4.4	-	4.4	
	27.8	98.0	125.8	-	-	-	-	-	125.8	-	125.8	

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Other Financial Assets	118.8	118.8	6.0	6.0
Trade receivable	96.6	96.6	141.7	141.7
Cash and Cash equivalents	615.5	615.5	34.9	34.9
Other Bank Balance	644.0	644.0	172.5	172.5
	1,474.9	1,474.9	355.1	355.1
Financial Liabilities				
Borrowings	3,645.6	3,645.6	46.0	46.0
Trade Payables	111.2	111.2	75.4	75.4
Other Financial Liabilities	456.8	456.8	4.4	4.4
	4,213.6	4,213.6	125.8	125.8

Basis of Fair Valuation :

Above financial Assets and Liabilities are given at carrying cost



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

45 Financial Ratios

Sr. No.	Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021	Remarks
1	Current Ratio (Total current assets/Current liabilities)	10.74	4.65	131% Variation is mainly due to increase in the cash and bank balance on account of equity issued to Holding Company
2	Debt service coverage ratio [EBIT/Net finance charges + Interest income from group companies + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges] [Net finance charges: Finance costs - Interest income - Net gain/(loss) on sale of current investments]	NA	9.24	The finance cost in FY 21-22 was compensated by finance income hence there was net finance income in FY 21-22. This is mainly due to deploying the funds received on issuance of equity to Holding Company in fixed deposits.
3	Return on Equity Ratio (Profit after tax (PAT)/Average Equity) [Equity: Equity share capital + Other equity]	NA	NA	NA As the average equity is negative, this ratio may not be representative and comparable between the two years.
4	Trade Receivable Turnover Ratio (Days) (Average trade receivables/Turnover in days) [Turnover: Gross Revenue from sale of goods & process waste]	27.26	32.96	-17%



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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

45 Financial Ratios

Sr. No.	Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021		Remarks
5	Trade Payable Turnover Ratio (Days) (Average Trade Payables/Expenses in days) [Expenses: Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses In respect of Retirement Benefits - Provision for Doubtful Debts & Advances, Provision for Impairment and Foreign Exchange Gain/Loss] [Average Trade Payables exclude any liability towards processing fees for ECB loan]	22.12	27.86	-21%	
6	Net Capital Turnover Ratio (Days) (Working capital/Turnover) [Working capital: Current assets - Current liabilities] [Current liabilities: Total current liabilities - Current maturities of long-term debt and leases] [Turnover: Gross Revenue from sale of goods & process waste]	355.40	110.04	223%	Variation mainly due to higher cash and bank balances due to equity infusion during FY 21-22
7	Net Profit Ratio (Net profit after tax/Turnover) [Turnover: Revenue from operations]	-47%	3%	-1450%	Variation is mainly due to decreased profitability and foreign currency fluctuation impact on account of restatement ECBS received from Holding Company during FY 21-22

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022
(All amounts are in Rs. Mn, unless stated otherwise)

45 Financial Ratios

Sr. No.	Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021	Remarks
8	Return on Capital Employed (EBIT/Average capital employed) [Capital Employed: Equity share capital + Other equity + Instruments Equity in nature + Non current borrowings + Current borrowings + Current and non-current maturities of long-term debt and leases + Deferred tax liabilities] [EBIT: Profit before taxes +/- (-) Exceptional items + Net finance charges] [Net finance charges: Finance costs - Interest income - Net gain/(loss) on sale of current investments]	-3%	2%	-220% Variation is mainly due to decreased profitability during FY 21-22 on account of Increase in the raw material prices, conversion costs and other expenses.
9	Return on Investments (Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments)	NA	NA	

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

46 Lease Impact

The Company has adopted IND AS 116 "Leases" using modified retrospective approach. The Company's lease assets classes primarily consist of leases for branch office, land & vehicles. These leases were classified as "Operating Leases" under IND AS 17. As per IND AS 116 'Leases', for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate at the inception. Right to Use if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Accordingly, the nature of expenses in respect of operating leases has changed from 'Lease Rent' to depreciation cost and finance cost for the right to use assets and for interest accrued on lease liability respectively.

The Company has used following practical expedient when applying IND AS 116 to leases previously classified as operating leases under IND AS 17 :

- (a) the Company did not recognize Right to Use and lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets
- (b) the Company excluded initial cost from measurement of the Right to Use assets at the date of initial application
- (c) the Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 10% on transition to the IND As 116, the impact thereof is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use - assets	18.8	16.1
Lease Liabilities	16.9	16.3

Following is the movement in lease liabilities :

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	16.3	-
Additions	3.0	15.9
Interest accrued during the year	2.0	0.5
Deletions	-	-
Reduction in Lease liabilities	-4.5	-0.1
Balance as at 31st March	16.9	16.3
- Current lease liabilities	1.0	0.9
- Non Current lease liabilities	15.8	15.4

Breakup of the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2.7	2.2
One to five years	6.3	6.6
More than five years	72.0	73.1

Short term lease expense incurred :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental expense	0.6	0.9
Vehicle Expense	6.2	5.4

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POLYGENTA TECHNOLOGIES LIMITED

Notes to the financial statements as at and for the year ended 31st March, 2022

(All amounts are in Rs. Mn, unless stated otherwise)

47 Capital risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may reduce share capital, issue new shares or sell assets to reduce debt. It is pertinent to note that during the year the company has issued equity share of Rs 1300 mn to its holding company. Additionally, it has also restructured the ECBs that it had from its holding company. Refer note [16] .

48 Movement of borrowings:

Particulars	As on 31st March, 2021	Cash Flow - Proceeds/(Repayment)	As on 31st March, 2021	Cash Flow - Proceeds/(Repayment)	As on 31st March, 2022
Short Term Borrowings	21.9	(21.9)	-	-	-
Long Term Borrowings	50.0	(4.0)	46.0	3,599.6*	3,645.6
Total	71.9	(25.9)	46.0	3,599.6	3,645.6

* This majorly represents reclassification of ECBs that the holding company has provided, from "Instrument (ECB) considered equity in nature" to Long-Term Borrowings.

49 Relationship with Struck Off companies under Section 248 of the Act or Section 560 of Companies Act, 1956

Name of the Struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	As at 31 March, 2022	As at 31 March, 2021
None	Investment in Securities, Receivable, Payables, Shares held by struck off company and Other outstanding balances (to be specified)	None	-	-

50 Details of Benami Property held

No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

51 The company has availed working capital facility from ICICI Bank which is secured by way of first charge on current assets and second charge on fixed assets. However, as of 31 March 2022, there was no fund-based borrowings outstanding in the books.

52 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

53 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

54 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

55 There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

56 The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



- 57 The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- 58 The previous year's / period's figures have been re-grouped / re-arranged wherever necessary, to conform to the current period's presentation.

Signatures to Notes 1 to 58 which form an integral part of the financial statements



Makarand Kulkarni
Whole Time Director and CEO
DIN : 01190428
Mumbai- 2nd July, 2022

Chetan Gandhi
Chief Financial Officer

Mumbai- 2nd July, 2022

For and on behalf of Board of Directors

Sujata Chattopadhyay
Chairperson
DIN : 2336683
Mumbai- 2nd July, 2022

Paresh Damania
Company Secretary

Mumbai- 2nd July, 2022

