



# **J. V. VASANI & Co.**

Chartered Accountants

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Independent auditor's review report on interim financial statements

## **Report on the Audit of the Interim Condensed Standalone Financial Statements**

### **Opinion**

We have audited the accompanying interim condensed standalone financial statements of **GUJARAT POLYSOL CHEMICALS LIMITED (Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED)** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2021, the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the three months period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the three months period ended on that date.

### **Basis for Opinion**

We conducted our audit of the interim condensed standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those



Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the interim condensed standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed standalone financial statements.

### **Management Responsibilities for the Interim Condensed Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the interim condensed standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the interim condensed standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim condensed standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim condensed standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting



from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed standalone financial statements, including the disclosures, and whether the interim condensed standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone financial statements may be influenced.

We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results



of our work; and

- (ii) to evaluate the effect of any identified misstatements in the interim condensed standalone financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**J.V.VASANI & Co.**

**Chartered Accountants**

**Firm's Registration No 114283W**

**Jignesh V Vasani**

**Partner**



**Membership No. 047954**

**UDIN: 22047954AFMQNM9717**

**Place: VAPI**

**Date: 24.03.2022**



**GUJARAT POLYSOL CHEMICALS LIMITED**  
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN : U24231GJ1989PLC012892)  
Balance Sheet

(₹ in million)

Particulars	Note No.	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment	5	702.17	587.82	469.61
(b) Investment Property	6	-	174.70	177.00
(c) Other Intangible assets	7	1.52	1.27	-
(d) Financial Assets				
(i) Investments	7	0.00	0.00	0.00
(iii) Others	8	17.90	15.98	13.41
(e) Other non-current assets	9	8.41	10.57	3.88
<b>Total non-current assets</b>		<b>729.99</b>	<b>790.34</b>	<b>663.90</b>
<b>(2) Current Assets</b>				
(a) Inventories	10	545.34	405.12	328.85
(b) Financial Assets				
(i) Trade receivables	11	1,353.51	1,679.41	1,479.06
(ii) Cash and cash equivalents	12	1.09	8.93	13.48
(iii) Other bank balances	13	41.89	40.05	58.71
(iv) Loans	14	2.67	2.56	6.27
(v) Others	15	13.60	11.30	10.80
(c) Current Tax Assets (Net)	16	32.08	-	12.14
(d) Other current assets	17	251.93	207.08	92.21
<b>Total current assets</b>		<b>2,242.10</b>	<b>2,354.46</b>	<b>2,001.53</b>
Assets classified as held for sale	18	173.55	-	-
<b>Total assets</b>		<b>3,145.65</b>	<b>3,144.79</b>	<b>2,665.43</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	19	201.55	40.31	26.39
(b) Other Equity	20	1,370.39	1,381.29	909.49
(d) Non-controlling interests				
<b>Total equity</b>		<b>1,571.93</b>	<b>1,421.60</b>	<b>935.88</b>
<b>Liabilities</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	393.46	377.94	340.27
(ii) Trade payables	22	3.48	7.54	7.32
(b) Provisions	23	2.99	0.23	0.32
(c) Deferred tax liabilities (Net)	24	49.25	35.21	28.89
<b>Total non-current liabilities</b>		<b>449.18</b>	<b>420.92</b>	<b>376.80</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	25	532.15	393.47	354.17
(ii) Trade payables	26			
(A) due to micro enterprises and small enterprises				
(B) due to other than micro enterprises and small enterprises		549.07	879.41	891.75
(iii) Other financial liabilities	27	16.88	8.94	91.67
(b) Other current liabilities	28	24.80	16.41	14.29
(c) Provisions	29	1.63	1.27	0.87
(d) Current Tax Liabilities (Net)	30	-	2.77	-
<b>Total current liabilities</b>		<b>1,124.53</b>	<b>1,302.28</b>	<b>1,352.75</b>
<b>Total Equity and Liabilities</b>		<b>3,145.65</b>	<b>3,144.79</b>	<b>2,665.43</b>
Significant Accounting Policies and Notes to Financial Statements	1-57			

As per our report of even date attached

For J. V. Vasani & Co.  
Chartered Accountants  
FRN NO : 114283W

Jignesh Vasani  
Partner  
Membership No.: 047954  
Place: Vapi  
Date: 24-03-2022

UDIN : 22047954AFMQNM9717



For and on behalf of the Board of Directors of  
Gujarat Polysol Chemicals Limited

Shailesh Desai  
Managing Director  
DIN: 00266938  
Place: Vapi  
Date : 24-03-2022

Umang Desai  
Whole Time Director  
DIN: 05161181  
Place: Vapi  
Date : 24-03-2022

Rajesh Singh  
CEO

Place: Vapi  
Date : 24-03-2022

Dipak Sanghani  
CFO & Company secretary  
Membership No: 50568

Place: Vapi  
Date: 24-03-2022



**GUJARAT POLYSOL CHEMICALS LIMITED**  
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)  
Statement of Profit & Loss

( ₹ in million)

Particulars		Note No.	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
I	Revenue from operations	31	1,818.49	3,796.06
II	Other income	32	13.69	8.26
III	<b>Total income (I+II)</b>		<b>1,832.18</b>	<b>3,804.32</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	33	1,296.39	2,233.19
	Purchase of Stock in trade	34	84.17	555.64
	Changes in Inventories of finished goods, Stock- in- trade and work-in-progress	35	(66.85)	(14.09)
	Employee benefits expense	36	57.48	70.88
	Finance costs	37	35.41	77.37
	Depreciation and amortisation expense	38	17.98	30.88
	Other expenses	39	189.60	307.62
	<b>Total expenses (IV)</b>		<b>1,614.17</b>	<b>3,261.49</b>
V	<b>Profit before tax (III-IV)</b>		<b>218.00</b>	<b>542.82</b>
VI	<b>Tax expense:</b>	40		
	(a) Current tax		55.18	135.34
	(b) Deferred tax		14.75	6.52
VII	<b>Profit for the Year from Continuing Operations (V-VI)</b>		<b>148.07</b>	<b>400.96</b>
VIII	Profit from discontinued operations		5.87	-
IX	Tax expense of discontinued operations		1.48	-
X	<b>Profit from Discontinued operations (after tax)(VIII-IX)</b>		<b>4.39</b>	<b>-</b>
XI	<b>Profit for the period (VII+X)</b>		<b>152.46</b>	<b>400.96</b>
XII	<b>Other comprehensive income</b>	41		
	A (i) Items that will not be reclassified to profit or loss		(2.85)	(0.81)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.72	0.20
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XIII	<b>Total Comprehensive Income for the Year (XI+XII)</b>		<b>150.33</b>	<b>400.35</b>
XIV	<b>Earnings per equity share</b>	42		
	Basic		7.56	21.11
	Diluted		7.57	19.90
	<b>Significant Accounting Policies and Notes to Financial Statements</b>	1-57		

For J. V. Vasani & Co.  
Chartered Accountants  
FRN NO : 114283W

Vignesh Vasani  
Partner  
Membership No.: 047954  
Place: Vapi  
Date: 24-03-2022



UDIN : 22047954AFMQNM9717

For and on behalf of the Board of Directors of  
Gujarat Polysol Chemicals Limited

Shailesh Desai  
Managing Director  
DIN: 00266938  
Place: Vapi  
Date: 24-03-2022

Umang Desai  
Whole Time Director  
DIN: 05161181  
Place: Vapi  
Date: 24-03-2022

Rajesh Singh  
CEO

Place: Vapi  
Date: 24-03-2022

Dipak Sanghani  
CEO & Company secretary  
Membership No: 50568  
Place: Vapi  
Date: 24-03-2022





**GUJARAT POLYSOL CHEMICALS LIMITED**  
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)  
Statement of Changes in Equity

A. Equity Share Capital	
Particulars	(₹ in million)
Balance as at 1st April, 2020	26.39
Issue of Equity Shares pursuant to Scheme of Amalgamation (Refer Note: 51)	13.92
Balance as at 1st April, 2021	40.31
Issue of Bonus shares	161.24
Balance as at 30th September, 2021	201.55

B. Other Equity										(₹ in million)
Particulars	Reserve & Surplus					Total Other Equity				
	Capital reserve - Common Control	Securities Premium Account	Retained Earnings	Revaluation Reserve	Capital Redemption Reserve	Cash subsidy	Share application pending allotment pursuant to Business Transfer	General Reserve		
Balance as at 1st April, 2020	(391.46)	187.64	595.01	174.76	1.50	-	313.26	28.78	909.49	
Movement during the year:	-	-	-	-	-	-	-	-	-	
Profit for the year	-	299.34	400.96	-	-	-	-	-	700.30	
Additions / (deductions)	85.37	-	-	-	-	-	(313.26)	-	(227.89)	
Remeasurement benefit of defined benefit plans	-	-	(0.60)	-	-	-	-	-	(0.60)	
Balance as at 31st March, 2021	(306.10)	486.98	995.36	174.76	1.50	-	-	28.78	1,381.29	
Balance as at 1st April, 2021	(306.10)	486.98	995.36	174.76	1.50	-	-	28.78	1,381.29	
Movement during the year:	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	152.46	-	-	-	-	-	152.46	
Utilised for issue of Bonus shares	-	(159.74)	-	-	(1.50)	-	-	-	(161.24)	
Remeasurement benefit of defined benefit plans	-	-	(2.13)	-	-	-	-	-	(2.13)	
Balance as at 30th September, 2021	(306.10)	327.24	1,145.70	174.76	-	-	-	28.78	1,370.39	
As per our report of even date attached										

As per our report of even date attached

For J. V. Vasani & Co.  
Chartered Accountants  
FRN No.: 114283W



Jignesh Vasani  
Partner  
Membership No.: 047954  
Place: Vapi  
Date: 24-03-2022

For and on behalf of the Board of Directors of Gujarat Polysol  
Chemicals Limited

Shallesh Desai  
Managing Director  
DIN: 00266938  
Place: Vapi  
Date: 24-03-2022

Umang Desai  
Whole Time Director  
DIN: 05161181  
Place: Vapi  
Date: 24-03-2022

Rajesh Singh  
CEO  
Place: Vapi  
Date: 24-03-2022

Dipak Sanghani  
CFO & Company secretary  
Membership No: 50568  
Place: Vapi  
Date: 24-03-2022



UDIN : 22047954AFMQNM9717



**GUJARAT POLYSOL CHEMICALS LIMITED**  
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)  
Statement of Cash Flows

( ₹ in million)

Particulars		For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>[A]</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax from continuing operations	218.00	542.82
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
	Profit from discontinued operations	5.87	
	Non-Cash Items	23.82	31.84
	Non Operating Items	21.84	73.57
	Remeasurement of Defined Benefit Plan	(2.85)	(0.81)
	<b>Operating Profit/(Loss) before changes in Working Capital</b>	266.69	647.42
	<b>Working capital adjustments:</b>		
	<b>(Increase)/ Decrease in Non Current / Current Assets:</b>		
	Inventories	(140.22)	(76.27)
	Trade receivables	325.90	(200.35)
	Other financial assets	(4.51)	1.03
	Other non financial assets	(44.85)	(114.87)
	<b>Increase / (Decrease) in Non Current / Current Liabilities:</b>		
	Trade Payables	(334.40)	(12.11)
	Other Financial Liabilities	7.93	(31.10)
	Other Non Financial Liabilities & Provisions	11.51	2.42
		88.06	216.17
	<b>Cash Flow from operations after changes in Working Capital</b>		
	Income tax (paid)/ Refund	(91.50)	(120.44)
	<b>Net cash flows from operating activities (A)</b>	(3.44)	95.73
<b>[B]</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant and equipment (including CWIP)	(135.11)	(156.45)
	Sale/Adjustment of Property, plant and equipment	12.82	0.74
	Purchase of Mutual Funds	-	-
	Sale of Mutual Funds	-	-
	Dividend Income	-	-
	Interest received (finance income)	0.92	3.77
	Bank Balances not considered as Cash and Cash Equivalents	(1.83)	18.66
	<b>Net cash flows used in investing activities (B)</b>	(123.20)	(133.28)
<b>[C]</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Impact due to business combination	-	85.37
	Proceeds / (Repayment) from borrowing (net)	154.20	76.97
	Interest & financial charges	(35.41)	(129.34)
	<b>Net cash flows from/(used in) financing activities (C)</b>	118.80	33.00
	<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	(7.84)	(4.56)
Cash and cash equivalents at the beginning of the year		8.93	13.48
Cash and cash equivalents at year end		1.09	8.93



**Notes:**

1	Cash & Bank Balances consists of the following: Cash & Cash Equivalents a. Balances with Banks b. Cash on hand Closing Cash & Cash Equivalents	   0.80 0.28 1.09	   7.94 0.99 8.93
2	The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows"		

As per our report of even date attached

For J. V. Vasani & Co.  
Chartered Accountants  
FRN NO : 114283W

  
Jignesh Vasani  
Partner  
Membership No.: 047954  
Place: Vapi  
Date: 24-03-2022




UDIN : 22047954AFMQNM9717

For and on behalf of the Board of Directors of Gujarat  
Polysol Chemicals Limited

  
Shailesh Desai  
Managing Director  
DIN: 00266938  
Place: Vapi  
Date : 24-03-2022

  
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Rajesh Singh  
CEO

Place: Vapi  
Date : 24-03-2022



  
Dipak Sanghani  
CFO & Company secretary  
Membership No: 50568  
Place: Vapi  
Date : 24-03-2022



**1 Corporate Information**

Gujarat Polysol Chemicals Limited is a Large enterprise and located in notified industrial estate, GIDC Vapi, District Valsad, Gujarat, INDIA having total plot area is 9696 sq. mt. doing manufacturing activity of agro chemicals, construction chemicals & leather chemicals etc., & two other manufacturing units at Sarigam, District Valsad, Gujarat & Dadra, Union Territories of Daman and Diu & Dadra Nagar Haveli.

**2 (a) Statement of compliance**

These financial statements are financial statements of the Company. The Company has prepared financial statements for the period ended September 30, 2021 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Ind AS is applicable to the Company from April 1, 2020 and accordingly financials of the Company is prepared as per Ind AS.

**(b) Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the period ended September 30, 2021 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

Upto the year ended on March 31, 2021, the Company had prepared its financial statements in accordance with the requirements of standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind-AS adopted financial statements. The date of transition to Ind AS is April 1, 2020.

**2.1 Functional and presentation currency**

The Company's functional currency is Indian Rupees (INR) and the financial statements are presented in INR and all values are presented in million (INR 000,000), except when otherwise indicated.

**2.2 Basis of measurement**

The financial information has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative)	Fair value
Defined benefits liability	Present value of defined

**2.3 Summary of significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial information are as given below. These accounting policies have been applied consistently to all periods presented in the Financial Information.

**2.3.1 Current vs non-current classification**

The Company presents assets and liabilities in the statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.4 Business combination**

Ind AS 103, Business Combinations, prescribes significantly different accounting for business combinations which are not under common control and those under common control.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies.
- The financial information in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the Financial Information, irrespective of the actual date of the business combination.
- The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.
- The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.



### 3 Significant Accounting Policies

#### 3.1 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up transition method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of this Ind AS 115 did not have any impact on the overall revenue and/or opening balance of retained earnings.

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Company recognises revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

##### 3.1.1 Sale of Goods & Services

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at the point in time when control is transferred to customer.

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

##### 3.1.2 Sale of services

Revenue with respect to sale of services is recognized when the services are rendered, and no significant uncertainty exists regarding the collection of consideration.

##### 3.1.3 Export incentives

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

##### 3.1.4 Other Income

Other income comprises interest income on deposits, gain/ (losses) on disposal of financial assets and non-financial assets. It is recognised on accrual basis except where the receipt of income is uncertain.

**Interest Income:** Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

**Dividend Income:** Dividend income is accounted when the right to receive the dividend is established, Dividend income is included under the head "Other income" in the statement of profit and loss account.

**Rental Income:** Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms and is included in other non-operating income in the Statement of Profit and Loss.

**Insurance Claims:** Insurance claims are accounted for as and when admitted by the concerned authority.

##### 3.1.5 Contract Balances

• **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

• **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required 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 transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

##### 3.1.6 Right of Return

The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

The Company has adopted Ind AS 115 from April 01, 2020 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on April 01, 2020. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020 while preparing Financial Information for the years ended March 31, 2021 and April 1, 2020.

The Company has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.





### 3.2 Property, plant and equipment

#### 3.2.1 Recognition and measurement:

Post transition to Ind AS, property, plant and equipment, excluding Freehold land are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

A property, plant and equipment is eliminated from the Financial Statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the statement of profit and loss.

#### 3.2.2 Depreciation methods, estimated useful lives and residual value

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on straight line method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

Asset Description	Assets Useful life (in Years)
Factory Building	30
Electrical Installation	10
Laboratory Equipment	10
Office Equipment	15
Computers	3
Furniture and Fixtures	10
Vehicle	8
Plant and Machinery	20
Residential Building	60

### 3.3 Intangible assets

On transition to Ind AS, the Company has valued intangible assets in accordance with Ind AS 38 - Intangible Assets.

Post transition to Ind AS, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Amortization methods and useful lives are reviewed periodically including at each financial year end.

Intangibles assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised

### 3.4 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.5 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

- Raw materials and components— on a weighted average basis
- Stores and spares — on a weighted average basis
- Work-in-progress — includes cost of conversion.
- Finished goods— includes cost of conversion.

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.





### 3.6 Financial Instruments

#### 3.6.1 Financial assets

##### i) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

##### ii) Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial instrument is classified and measured at

- Amortised cost
- Fair value through other comprehensive income (FVOCI) - debt instruments;
- Fair value through other comprehensive income (FVOCI) - equity investments; or
- Fair value through profit and loss (FVTPL).

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:**

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

**A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:**

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

###### Financial assets: Subsequent measurement and gains and losses

###### Financial assets, at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

###### Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

###### Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

##### 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. Note 50 details how the Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 month ECL.

##### iii) Derecognition of financial assets:

**A financial asset is derecognized only when:**

- The Company has transferred the rights to receive cash flows from financial asset or
- Retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### 3.6.2 Financial Liability

##### i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

##### ii) Subsequent measurement





The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

**3.6.3 Amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**3.6.4 Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**3.6.5 Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**3.6.6 Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.6.7 Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

**3.7 Cash and Cash Equivalents**

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

**3.8 Foreign Currency Transactions and Translations**

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

**3.9 Employee benefits**

**3.9.1 Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**3.9.2 Defined Benefit plans**

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.





The Company's gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

### 3.9.3 Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term performance incentive, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### 3.9.4 Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 3.9.5 Other long-term employee benefits

Benefits under the Company's compensated absences constitute other long-term employee benefits, recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method. Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the statement of profit and loss as employee benefit expenses.

### 3.10 Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production of upto the date of capitalisation of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are expensed in the period in which they occur.

### 3.11 Leases

The Company has applied Ind AS 116 using the full retrospective approach, hence, the comparative information has been restated.

The Company assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 3.11.1 Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company applies the short-term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Further, leases for which the underlying asset is of low value has been recognized immediately in the Statement of Profit and Loss.

### 3.12 Taxation

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate. Current tax assets and tax liabilities are offset where the entity 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.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax is recognized in statement of profit and loss except to the extent it relates to items recognized outside profit or loss, in which case is recognized outside profit or loss (either in other comprehensive income or in equity).





Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognized for temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### 3.13 Provisions and Contingent Liabilities

#### (i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future operating losses are not provided for.

#### (ii) Onerous contract

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

#### (iii) Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

#### (iv) Contingent Assets

A contingent asset is disclosed where an inflow of economic benefits is probable.

### 3.14 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

### 3.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity as a whole for the purpose of making decisions about resource allocation and performance assessment.

### 3.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3.17 Fair value measurement

The Company measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



### 3.18 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold Land and Properties under construction are not depreciated.

Building component of investment property is depreciated over 30 years from the date of original construction, based on the useful life prescribed in Schedule II to the Companies Act, 2013 using the straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

## 4 Critical Judgments and Estimates

### 4.1 Allowances for uncollected trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

### 4.2 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes. Although there can be no assurance of the final outcome of legal proceedings in which the Company is involved. It is not expected that such contingencies will have material effect on its financial position of probability.

### 4.3 Impairment of other financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 4.4 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model.

### 4.5 Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### 4.6 Useful lives of property, plant and equipment and intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment and intangible assets at which they are currently being depreciated represent the correct estimate of the lives and need no change.

### 4.7 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### 4.8 Determining the lease term of contracts with renewal and termination options — Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).





5 PROPERTY, PLANT AND EQUIPMENT

Particulars / Assets	Land		Factory Building	Office Building	Computers	Furniture & Fixtures	Office Equipment	Plant and Machinery	Laboratory Equipment	Vehicles	Other Electronic Equipments	Total
	Free Hold land	Right of use assets										
GROSS BLOCK												
As at 1st April, 2020	0.68	19.20	40.43	62.66	2.49	2.02	2.94	382.87	2.85	33.17	6.34	555.65
Additions	-	0.61	0.36	-	0.83	1.23	0.10	142.98	0.08	0.18	2.08	148.43
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	2.35	-	2.35
As at 31st March, 2021	0.68	19.81	40.78	62.66	3.32	3.25	3.05	525.85	2.93	31.00	8.42	701.73
Additions	-	35.12	12.47	-	1.27	1.00	0.03	78.20	-	3.60	5.22	136.91
Deduction/Adjustments	-	-	0.88	-	-	-	-	4.02	-	-	-	4.91
As at 30th September, 2021	0.68	54.93	52.37	62.66	4.59	4.25	3.07	600.02	2.93	34.60	13.64	833.73
ACCUMULATED DEPRECIATION												
As at 1st April, 2020	-	1.94	10.56	5.95	2.16	0.62	2.43	53.63	0.97	5.56	2.24	86.05
Charge for the year	-	0.23	1.14	1.98	0.20	0.22	0.17	20.18	0.20	3.60	0.58	28.51
Deduction/Adjustments	-	-	-	-	-	-	-	-	-	0.65	-	0.65
As at 31st March, 2021	-	2.17	11.70	7.94	2.36	0.84	2.60	73.81	1.17	8.51	2.82	113.91
Charge for the year	-	0.27	0.72	0.99	0.32	0.14	0.10	12.68	0.10	2.02	0.52	17.86
Deduction/Adjustments	-	-	0.02	-	-	-	-	0.19	-	-	-	0.21
As at 30th September, 2021	-	2.44	12.40	8.93	2.68	0.99	2.69	86.30	1.27	10.52	3.34	131.56
Net Block												
As at 1st April, 2020	0.68	17.27	29.87	56.70	0.33	1.39	0.51	329.24	1.88	27.62	4.11	469.61
As at 31st March, 2021	0.68	17.64	29.09	54.72	0.96	2.40	0.45	452.04	1.76	22.49	5.60	587.82
As at 30th September, 2021	0.68	52.49	39.97	53.73	1.91	3.26	0.38	513.71	1.66	24.07	10.30	702.17
Notes:												

Notes:

- 1) The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its Property, Plant and Equipment as its deemed cost as at the date of transition.
- 2) The aggregate depreciation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



6 INVESTMENT PROPERTY

Gross Block

(₹ in million)

Particulars	Land	Total
As at 1st April, 2020	181.68	181.68
Additions/deductions	-	-
Closing balance as at 31 March, 2021	181.68	181.68
Additions/deductions	(181.68)	(181.68)
Closing balance as at 30 September, 2021	-	-

Depreciation and Impairment

(₹ in million)

Particulars	Land	Total
As at 1st April, 2020	4.68	4.68
Charge for the year	2.30	2.30
Closing balance as at 31 March, 2021	6.98	6.98
Charge for the year	1.15	1.15
deductions	(8.13)	(8.13)
Closing balance as at 30 September, 2021	-	-

Net Block

(₹ in million)

Particulars	Land	Total
As at 1st April, 2020	177.00	177.00
As at 31 March, 2021	174.70	174.70
As at 30th September, 2021	-	-

The Company has elected to continue with the carrying value of all its Investment Properties recognized as of the transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Information regarding income and expenditure of Investment property

(₹ in Million)

Particulars	For the year ended 31st March, 2021
Rental Income	12.99
Direct operating Expenses (including R & M) that generate rental income	0.34
Direct operating Expenses (including R & M) that did not generate rental income	-
<b>Profit from Investment Properties before Depreciation</b>	<b>12.66</b>
Less: Depreciation	2.30
<b>Profit from Investment Properties</b>	<b>10.36</b>
Particulars	For the year ended 31st March, 2020
Rental Income	12.38
Direct operating Expenses (including R & M) that generate rental income	0.32
Direct operating Expenses (including R & M) that did not generate rental income	-
<b>Profit from Investment Properties before Depreciation</b>	<b>12.06</b>
Less: Depreciation	2.30
<b>Profit from Investment Properties</b>	<b>9.76</b>
Particulars	For the year ended 31st March, 2019
Rental Income	8.22
Direct operating Expenses (including R & M) that generate rental income	0.34
Direct operating Expenses (including R & M) that did not generate rental income	-
<b>Profit from Investment Properties before Depreciation</b>	<b>7.88</b>
Less: Depreciation	2.30
<b>Profit from Investment Properties</b>	<b>5.58</b>

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

The Company's Investment Properties consists of land. The Fair value of land was determined using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. The Fair value measurements is categorized in level 2 or level 3 of Fair value hierarchy as appropriate.

Leasing Arrangements

Certain Investment Properties are leased to tenants under long-term operating leases with monthly rent receipts. Minimum lease payments receivable under non-cancellable operating leases of Investment properties are as follows:

₹ in Million

Particulars	For the year ended 31st March, 2021
Within one year	13.61
Later than one year but less than five years	-
Later than five years	-

Particulars	For the year ended 31st March, 2020
Within one year	12.99
Later than one year but less than five years	13.61
Later than five years	-





**GUJARAT POLYSOL CHEMICALS LIMITED**

(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)

**Notes to Financial Information****7 INTANGIBLE ASSETS**

(₹ in million)

Particulars /Assets	Computer Software	Total
<b>GROSS BLOCK</b>		
As at 1st April, 2020	-	-
Additions	1.33	1.33
Reclassification to assets held for sale	-	-
Deduction/Adjustments	-	-
As at 31st March, 2021	1.33	1.33
Additions	0.36	0.36
Reclassification to assets held for sale	-	-
Deduction/Adjustments	-	-
As at 30th September, 2021	1.70	1.70
<b>ACCUMULATED AMORTIZATION</b>		
As at 1st April, 2020	-	-
Charge for the year	0.07	0.07
Deduction/Adjustments	-	-
As at 31st March, 2021	0.07	0.07
Charge for the year	0.11	0.11
Deduction/Adjustments	-	-
As at 30th September, 2021	0.18	0.18
<b>Net Block</b>		
As at 1st April, 2020	-	-
As at 31st March, 2021	1.27	1.27
As at 30th September, 2021	1.52	1.52

1. The Company has elected to continue with the carrying value of its intangible assets recognised as of transition date measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

2. The aggregate amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



7 Investments

	(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Unquoted</b>			
Investments in Equity Instruments			
S.B.P.P. Co-op. Bank Ltd.			
81 Equity Shares of ₹ 25/- each	0.002	0.002	0.002
<b>Total</b>	<b>0.002</b>	<b>0.002</b>	<b>0.002</b>
Aggregate carrying value of unquoted investments	0.002	0.002	0.002
Aggregate market value of quoted investments			

8 Financial Assets - Others

	(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Security Deposits	17.90	15.98	13.41
<b>Total</b>	<b>17.90</b>	<b>15.98</b>	<b>13.41</b>

9 Other Non Current Assets

	(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>(Unsecured, Considered Good unless Otherwise Stated)</b>			
Capital advances	8.40	10.56	3.87
Balance with government authorities	0.01	0.01	0.01
<b>Total</b>	<b>8.41</b>	<b>10.57</b>	<b>3.88</b>

10 Inventories

	(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Raw Material	340.59	262.17	198.74
Work in Progress	192.01	109.62	74.08
Finished goods	5.92	21.46	45.34
Packing Material	6.81	11.87	10.69
<b>Total</b>	<b>545.34</b>	<b>405.12</b>	<b>328.85</b>

- For details of inventories given as security against borrowings, (Refer Note 3.5 of Annexure V).
- Write down of inventories to net realisable value amounted to ₹ nil/- (31 March 2021 ₹nil, 31 March 2020 ₹nil, March 31, 2019 ₹nil). These were recognised as an expense during the year and included in consumption of stores and spare parts in statement of profit and loss.
- Reversal of write-down of inventories value amounted to ₹ nil(31 March 2021 ₹nil, 31 March, 2020 ₹nil, 31 March, 2019 ₹nil). These were recognised as a reduction of expense during the year and included in consumption of stores and spare parts in statement of profit and loss.
- During the previous year reversal of write-down of inventories have been made on account of consumption of inventory in normal course of business.

11 Trade Receivables

	(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Unsecured, Considered good</b>			
Due from related Parties*			
Others- Due within 6 months			
Undisputed	1,264.56	1,561.45	1,438.36
Disputed			6.58
Due for more than 6 months	88.94	117.96	34.11
Significant increase in credit risk			
Credit impaired			
Less:			
Impairment for doubtful receivables			
<b>Total</b>	<b>1,353.51</b>	<b>1,679.41</b>	<b>1,479.06</b>

\* Trade receivables includes:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Due by firm in which Directors are Partners		0.01	19.50
Due by Private Companies in which Directors are Directors			

Generally, the Company enters into long-term sales arrangement with its customers. The credit period on sales is generally 30 to 60 days. Interest is charged at agreed rate as per contract terms on the overdue balance.

Outstanding for following periods from due date of payment:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
less than 6 months	1,264.56	1,561.45	1,444.95
6 months to 1 year	13.07	74.94	7.04
1 to 2 years	50.56	15.52	6.06
2 to 3 years	6.37	9.29	5.49
More than 3 years	18.95	18.21	16.51
<b>Total</b>	<b>1,353.51</b>	<b>1,679.41</b>	<b>1,478.95</b>





## 12 Cash and Cash Equivalents

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Balances with banks in current accounts	0.28	7.94	12.55
Cash on hand	0.80	0.99	0.93
<b>Total</b>	<b>1.09</b>	<b>8.93</b>	<b>13.48</b>

## 13 Other Bank balances

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Other Bank Deposits for original maturity more than 3 months upto 12 months (refer note 16.1)			
Unclaimed dividend accounts			
Bank Deposits (refer note below)	41.89	40.05	58.71
<b>Total</b>	<b>41.89</b>	<b>40.05</b>	<b>58.71</b>

Deposit are kept with bank as a margin money against Letter of credit / Buyer Credit facility utilised.

## 14 Loans

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>(Unsecured, Considered Good unless Otherwise Stated)</b>			
<b>a. Loans to Employees</b>			
- Secured, Considered Good			
(a) Loans Receivables considered good - Secured			
- Significant increase in credit risk			
- Credit impaired			
Less: Impairment for doubtful loans			
(b) Loans Receivables considered good - Unsecured	2.67	2.56	6.27
(c) Loans Receivables which have significant increase in Credit Risk			
(d) Loans Receivables - credit impaired			
<b>Total</b>	<b>2.67</b>	<b>2.56</b>	<b>6.27</b>

1. Loans to employees are secured by way of hypothecation of house/ four wheeler/ two wheeler for which the loans have been given.

2. Loans to employees include an amount of ₹ Nil (As at March 31, 2021 ₹Nil, As at March 31, 2020 ₹Nil, ) outstanding from Key Managerial Personnel.

## 15 Financial Assets - Others

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Interest Accrued on deposits and loans	0.21	0.38	-
Insurance Claim Receivable	-	-	-
Project Delight expenses related to IPO	2.92	-	-
Other receivables	10.48	10.92	10.80
<b>Total</b>	<b>13.60</b>	<b>11.30</b>	<b>10.80</b>

## 16 Current Tax Assets (net)

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Current Tax Assets</b>			
Advance Tax Paid (Net of provision for tax)	85.52	-	66.77
-	-	-	-
<b>Current Tax Liabilities</b>			
Provision for Income Tax (Net of advance Tax)	53.45	-	54.64
<b>Total</b>	<b>32.08</b>	<b>-</b>	<b>12.14</b>

## 17 Other Current Assets

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Unsecured, considered good</b>			
Balance with Government Authorities	28.17	34.87	43.38
Prepaid Expenses	4.23	4.38	2.21
Advances to vendors	219.54	167.84	46.63
<b>Total</b>	<b>251.93</b>	<b>207.08</b>	<b>92.21</b>

## 18 Assets classified as held for sale

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Building (Investment property)	173.55	-	-
<b>Total</b>	<b>173.55</b>	<b>-</b>	<b>-</b>

The resolution was passed and approved by the Board of Directors on August 16, 2021, for selling out the investment property of ₹ 181.68 million, having written down value ₹ 173.55 million and pursuant to such approval, the investment property has been classified as asset held for sale during the period. The rent income arising from the said investment property net of direct expenses of ₹ 5.87 million (including depreciation of ₹ 1.15 million) has been classified as profit from discontinued operations in accordance with IND AS 105 "Non-current asset held for sale and Discontinued operations". The income tax expense on the same amounts to ₹ 1.48 million.



19 Equity Share Capital

Particulars	As at 30th September, 2021	As at 31st March, 2021	(₹ in million) As at 1st April, 2020
<b>Authorised</b>			
3,50,00,000 (March 31, 2021 815,000 March 31, 2020 815,000, March 31, 2019 815,000 Equity Shares of ₹ 100/- each fully paid up) Equity Shares of ₹ 10/- each fully paid up	350.00	81.5	81.5
Nil (March 31, 2021 7500 March 31, 2020 7500, March 31, 2019 7500 10% Non Cumulative Redeemable Preference Shares of ₹ 100/- each)	-	0.75	0.75
Nil ((March 31, 2021 2,500 March 31, 2020 2,500, March 31, 2019 2,500 Unclassified Shares of ₹ 100/- each)	-	0	0
<b>Total</b>	<b>350.00</b>	<b>82.25</b>	<b>82.25</b>
<b>Issued, Subscribed and Fully Paid Up</b>			
2,01,54,750 (March 31, 2021 403,095 March 31, 2020 263,900, March 31, 2019 261,900) Equity Shares of ₹ 100/- each fully paid up	201.55	40.31	26.39
<b>Total</b>	<b>201.55</b>	<b>40.31</b>	<b>26.39</b>

1. Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:

Particulars	No. of Shares	Share Capital (₹ in million)
As at 1st April, 2018 #	0.26	26.19
Additions/(Reductions)	-	-
As at 31st March, 2019 #	0.26	26.19
As at 1st April, 2019	0.26	26.19
Additions/(Reductions)	0.00	0.20
As at 31st March, 2020	0.26	26.39
As at 1st April, 2020	0.26	26.39
Shares issued pursuant to Business transfer*	0.14	0.00
As at 31st March, 2021	0.40	40.31
As at 1st April, 2021	0.40	40.31
Effect of sub-division	4.03	40.31
Issue of bonus shares	16.12	161.24
As at 30th September, 2021	20.15	201.55

# Netted off due to shares held by partnership firms, which are included in the financial information under common control.

\* Refer note S1

2. Details of Shareholder holding more than 5 percent share in Company:

Particulars	No. of shares	% Holding
<b>Shailish Desai</b>		
As at September 30, 2021	13.48	66.88%
As at March 31 2021	0.29	71.87%
As at March 31 2020	0.18	68.26%
As at March 31 2019	0.18	68.02%
As at March 31 2018	0.18	68.02%
<b>Umang Desai</b>		
As at September 30, 2021	3.33	16.51%
As at March 31 2021	0.07	16.51%
As at March 31 2020	0.05	17.46%
<b>Nilima Desai</b>		
As at September 30, 2021	1.04	5.18%
As at March 31 2021	0.02	5.18%
As at March 31 2020	0.01	4.42%
<b>Polysol Financial Services LLP</b>		
As at September 30, 2021	1.25	6.20%
As at March 31 2021	0.03	6.20%
As at March 31 2020	0.03	9.47%

3. Shares held by the promoters at the end of the year:

Sr. no	Promoter name	No. of shares	% of total shares	% change during the year
1	Shailish Desai	1,34,79,550	66.88%	4.99%
2	Umang Desai	33,26,700	16.51%	0.00%

4. Right, Preferences and restrictions attached to Equity Shares

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the Company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

5. 139,195 equity shares of ₹ 100/- each fully paid up, were issued pursuant to the Business transfer agreement of Urmi Polymer Industries and Polysol Industries with the company in 2020-2021 and these shares were issued without payment being received in cash.

6. The Company has subdivided Equity Shares from the Face Value of ₹100 to ₹10 per Share from April 15, 2021. Accordingly the shares are subdivided with effect from that date.

7. The Company has allotted 1,61,23,800 number of fully paid Bonus shares on 04/09/2021 in the ratio of four equity share of ₹10 each fully paid up for every 1 existing equity shares of ₹10 each fully paid up.

20 Other Equity

Particulars	As at 30th September, 2021	As at 31st March, 2021	(₹ in million) As at 1st April, 2020
Securities Premium	327.24	486.98	187.64
Capital Redemption Reserve	-	1.50	1.50
General Reserve	28.78	28.78	28.78
Revaluation Reserve	174.76	174.76	174.76
Share application pending allotment pursuant to Business Transfer	-	-	313.26
Capital Reserve -Common Control	(306.10)	(306.10)	(391.46)
Retained Earnings	1,145.70	995.36	595.01
<b>Total</b>	<b>1,370</b>	<b>1,381</b>	<b>909</b>





## 1. Particulars relating to Other Equity

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Securities Premium (Refer Note No.2)</b>			
Balance at the beginning of the year	486.98	187.64	184.16
Addition/(Deduction) during the year	(159.74)	299.34	3.48
Balance at the end of the year	327.24	486.98	187.64
<b>General Reserve (Refer Note No.3)</b>			
Balance at the beginning of the year	28.78	28.78	28.78
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	28.78	28.78	28.78
<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	1.50	1.50	1.50
Addition/(Deduction) during the year	(1.50)	-	-
Balance at the end of the year	-	1.50	1.50
<b>Cash subsidy</b>			
Balance at the beginning of the year	-	-	-
Addition/(Deduction) during the year	-	-	-
Balance at the end of the year	-	-	-
<b>Share application pending allotment pursuant to Business Transfer</b>			
Balance at the beginning of the year	-	313.26	313.26
Addition/(Deduction) during the year	-	(313.26)	-
Balance at the end of the year	-	-	313.26
<b>Capital Reserve</b>			
Balance at the beginning of the year	(306.10)	(391.46)	(388.08)
Addition/(Deduction) during the year	-	85.37	(3.39)
Balance at the end of the year	(306.10)	(306.10)	(391.46)
<b>Revaluation Reserve</b>			
Balance at beginning of year	174.76	174.76	174.76
Fair value gain on investments in equity instruments	-	-	-
Balance at end of year	174.76	174.76	174.76
<b>Retained Earnings</b>			
Balance at the beginning of the year	995.36	595.01	393.87
Profit after tax for the year	152.46	400.96	200.80
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(2.13)	(0.60)	-
Balance at the end of the year	1,145.70	995.36	595.01
<b>Total</b>	<b>1,370.39</b>	<b>1,381.29</b>	<b>909.49</b>

2. Securities Premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

3. The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

4. Capital Reserve is on account of Business Combination

5. Revaluation reserve is a non-cash reserve created to reflect the true value of the asset when the market value of the certain category of asset is more or less than the value of such asset at which it is recorded in the books of account.

6. share application money pending allotment is with respect shares to be issued under business combination

## 21 Borrowings

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Secured</b>			
<b>Term Loans</b>			
From Banks	214.50	172.75	154.83
From Others	257.34	288.21	309.22
<b>Unsecured</b>			
Long term maturities of finance lease obligations	-	-	-
Loans from related parties	-	-	-
less: Current maturities of Long term borrowings	(78.38)	(83.02)	(123.78)
Liability component of compound financial instruments	-	-	-
<b>Total</b>	<b>393.46</b>	<b>377.94</b>	<b>340.27</b>

Particulars	Repayment terms	Type of charge	Property of the Company Charged	Rate of interest	No of installments remaining	Amount As at 30th September,
<b>From Banks</b>						
<b>HDFC bank limited</b>						
	2.Repayable in 61 monthly instalments of Rs.5,44,439 per months	Hypothecation plant & machinery , mortgage etc	(ii) Industrial Plot No.1702/B admeasuring 5000 sq. meters along with construction of shed admeasuring 2787.06 sq. meters consisting of Survey No. 25/P, 27/P 106/P, 107/P and 110/P situated at Vapi Notified Industrial Estate GIDC, Dist Valsad	8.20%	16	7.83
	3.Repayable in 240 monthly instalments of Rs.3,86,793 per months	Mortgage	Against Guest House- FLAT 1302, 13TH FLOOR, SATGURU SHLOK, 5 NO. FB 271B, CTS F/718, B/1, 36TH ROAD, NR. NATIONAL COLLEGE, BANDRA, WEST, MUMBAI - 400058 with Undivided proportionate share of land underneath.	6.80%	176	43.01



Vehicle Loan	Repayable in 60 monthly instalments of Rs.26,586 per months	Hypothecation on Vehicle	NEW HONDA BRV Car for Which Loan Facility is Obtained.	9.36%	2	0.05
	Repayable in 60 monthly instalments of Rs. 58,274 per months		NEW HONDA CRV Car for Which Loan Facility is Obtained.	8.70%	27	1.42
	Repayable in 60 monthly instalments of Rs.1,61,510 per months		NEW PORSCHE MACAN Car for Which Loan Facility is Obtained.	8.35%	41	5.74
	Repayable in 60 monthly instalments of Rs.1,46,791 per months		NEW RANGE ROVER VELAR Car for Which Loan Facility is Obtained.	8.35%	41	5.22
From Axis Bank						
Business loan	Repayable in 120 monthly instalments.	Hypothecation plant & machinery ,mortgage etc	Hypothecation of Current assets and Movable property of the Company.	9.05%	28	43.32
Working Capital Term Loan	Repayable in 48 monthly Instalments after 12 month moratorium period	Hypothecation plant & machinery ,mortgage etc	Personal gurantee of Mr. Shailesh B Desai, Mrs. Nilima S. Desai, and Mr. Umang S. Desai.	7.75%	48	51.50
Working Capital Term Loan	Repayable in 48 monthly instalments after 12 month moratorium period	Hypothecation plant & machinery ,mortgage etc		7.70%	48	56.40
From Financial institutions						
ADITYA BIRLA FINANCE LIMITED	Repayable in 120 monthly instalments	Pledge of share	Pledge of 100% shares of Triwal Board Pvt Ltd	10.25%	76	109.08
	Repayable in 120 monthly instalments.	Mortgage	1. NA land situated at Revenue Survey No. 114/A/1a paiki 3, Moje. Abrama, Valsad admeasuring 10252 Sq Mtrs owned by Shaileshkumar Balvantrai Desai. 2.Personal Guarantee by Mrs.Nilima Desai	10.25%	21	7.49
	Repayable in 120 monthly instalments.			10.25%	21	35.11
	Repayable in 120 monthly Instalments.			10.25%	21	67.42
	Repayable in 120 monthly Instalments.			10.25%	21	38.23
From Others- unsecured						
GOKUL REFOILS AND SOLVENT LIMITED	Repayable at any time.			---	---	14.10

## 22 Trade Payables

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020
Micro, Small and Medium Enterprises			
Others	3.48	7.54	7.32
<b>Total</b>	<b>3.48</b>	<b>7.54</b>	<b>7.32</b>

## 23 Provisions

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
<b>Provision for Employee benefits</b>			
Gratuity	1.86	-	0.15
Unavailed Leave and compensated absences	1.13	0.23	0.18
<b>Provision for Others (Note No. 27.2)</b>			
Provision for Product warranties			
Provision for Liquidated losses			
Provision for decommissioning			
Income tax payable (net)			
<b>Total</b>	<b>2.99</b>	<b>0.23</b>	<b>0.32</b>

## 24 Deferred tax Liabilities (net)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Deferred Tax Liabilities	50.41	35.59	29.19
Deferred Tax Assets	1.16	0.38	0.30
<b>Total</b>	<b>49.25</b>	<b>35.21</b>	<b>28.89</b>





For the period 1-4-21 to 30-9-21

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	(₹ in million) Closing Balance
Deferred tax liability on account of: Property, Plant & Equipment, Intangible assets	35.59	14.82		50.41
<b>Total Deferred Tax Liabilities</b>	<b>35.59</b>	<b>14.82</b>	<b>-</b>	<b>50.41</b>
Deferred tax asset on account of: Expenses allowed under tax on payment basis	0.38	0.07	0.72	1.16
<b>Total Deferred Tax Assets</b>	<b>0.38</b>	<b>0.07</b>	<b>0.72</b>	<b>1.16</b>
<b>Net Deferred Tax</b>	<b>35.21</b>	<b>14.75</b>	<b>(0.72)</b>	<b>49.25</b>

For the year 2020-21

Particulars	Opening Balance	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	(₹ in million) Closing Balance
Deferred tax liability on account of: Property, Plant & Equipment, Intangible assets	29.19	6.39		35.59
<b>Total Deferred Tax Liabilities</b>	<b>29.19</b>	<b>6.39</b>	<b>-</b>	<b>35.59</b>
Deferred tax asset on account of: Expenses allowed under tax on payment basis	0.30	(0.13)	0.20	0.38
<b>Total Deferred Tax Assets</b>	<b>0.30</b>	<b>(0.13)</b>	<b>0.20</b>	<b>0.38</b>
<b>Net Deferred Tax</b>	<b>28.89</b>	<b>6.52</b>	<b>(0.20)</b>	<b>35.21</b>

## 25 Borrowings

Particulars	As at 30th September, 2021	As at 31st March, 2021	(₹ in million) As at 1st April, 2020
<b>Secured</b>			
Loans repayable on demand			
-Working Capital Loans	279.71	184.41	178.95
Buyers Credit	159.96	111.93	37.34
<b>Unsecured</b>			
From Others	14.10	14.10	14.10
Current maturities of long-term debt	78.38	83.02	123.78
<b>Total</b>	<b>532.15</b>	<b>393.47</b>	<b>354.17</b>

Particulars	Type of charge	Property of the Company Charged	Amount As at 30th September, 2021
<b>HDFC BANK LTD</b>	Mortgage/Hypothecation	i) Industrial Plot No. 1734 admeasuring 4696 sq. meters consisting of Survey No. 123/P, 125/P and 126/P situated at Vapi GIDC Vapi within the village limits of Chhri Tal Vapi Dist Valsad.	253.86
		ii) Industrial Plot No.1702/B admeasuring 5000 sq. meters along with construction of shed admeasuring 2787.06 sq. meters consisting of Survey No. 25/P, 27/P 106/P, 107/P and 110/P situated at Vapi Notified Industrial Estate GIDC. Dist Valsad.	
		iii)Hypothecation of Current assets and Movable property of the Company pari passu with Axis Bank Ltd.	
	Mortgage	Commercial Plot No. C-6/2/B, adm about 3196 sq mtr, Consisting of Survey No. 490, 494, 495/1 and 495/2 along with Shop No. 22, 23, 30, 31, 33, 35, 36, 38 to 42, situated at Ground Floor, Express House Office, Near CNG Pump, Vapi Notified Area, GIDC Char Rasta, NH No. 8, Vapi.	
	Mortgage	NA Land bearing Survey No. no. 275/PS/P1, adm about 9560.50 sq mtr, Situated at Vapi, Ta. Vapi, Dist. Valsad.	
	Personal Guarantee	Personal Guarantee by Shailesh Desai, Umang Desai, Nilima Desai.	
<b>AXIS BANK LTD</b>	Mortgage/Hypothecation	i)Hypothecation of Current assets and Movable property of the Company pari passu with HDFC Bank Ltd	185.81
		1. Land and Building at New Survey No: 1064 bearing old Survey No: 260/71/1/3 Situated at Village Dadra of the Union Territory of Dadra and Nagar Haveli, adm 1232 Sq Mt, along with construction thereon.	
		2. Land and Building at New Survey No: 1063 bearing old Survey No: 260/71/1/4 Situated at Village Dadra of the Union Territory of Dadra and Nagar Haveli, adm. 1346 Sq Mt.	
		3. Land and Building Plot No: C1B/106/1 to 4, Survey No: 23/P Plot No: C1B/106/1 to 4 Situated at Sarigam Notified Industrial Estate, consisting Revenue Survey No: 23/P within the Village limits of Sarigam, Taluka Umargaon, District Valsad adm 2985.88 Sq Mtrs.	
	Mortgage	4. Land and Building situated at Survey No: 275/Palkee 5 after Promulgation its New Block/Survey No: 92 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Shaileshbhai B. Desai, admeasuring 9561.00 Sq Mtrs, along with construction thereon.	
	Mortgage	5. Land and Building situated at Survey No: 319/P Residential Plot No: 19 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Shaileshbhai B. Desai, admeasuring 624.00 Sq mtrs, along with construction thereon.	
	Mortgage	6. Land and Building Situated at Survey No: 2933, 2934, 2935, 2936, 2937 and 2938 Situated at Village Vapi, Taluka Vapi, District Valsad, Gujarat in the name of Mr Umang Shaileshbhai Desai, admeasuring 2704.50 Sq Mtrs, along with construction thereon.	
	Personal Guarantee	Personal Guarantee by Shailesh Desai, Umang Desai, Nilima Desai	

Secured Loans comprise of cash credit & short term loans from banks which are further secured by pledge of 1000 equity shares of Rs. 100 each held by a director (1 share in Shailesh Desai and other in the name of GPCL)



## 26 Trade Payables

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Micro, Small and Medium Enterprises	-	-	-
Others	549.07	879.41	891.75
<b>Total</b>	<b>549.07</b>	<b>879.41</b>	<b>891.75</b>

Outstanding for following periods from due date of payment:

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Less than 1 year	549.07	879.41	891.35
1 to 2 years	1.81	3.09	0.77
2 to 3 years	0.01	0.21	4.95
More than 3 years	1.66	4.24	1.59
<b>Total</b>	<b>552.55</b>	<b>886.95</b>	<b>898.66</b>

1. Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 30 - 90 days.

2. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Trade Payables -Total outstanding dues of Micro & Small Enterprises*	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
Interest accrued and remaining unpaid as at of end of each accounting year	-	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-	-

\*Based on the confirmation from Vendors.

## 27 Other Financial Liabilities

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Interest Payable on Loan	-	-	-
Expenses payable	13.84	5.85	88.55
Deposits taken	3.04	3.10	3.12
<b>Total</b>	<b>16.88</b>	<b>8.94</b>	<b>91.67</b>

## 28 Other Current Liabilities

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Advance from Customers	17.74	12.02	10.12
Liability for Statutory Payments	7.05	4.40	4.18
<b>Total</b>	<b>24.80</b>	<b>16.41</b>	<b>14.29</b>

## 29 Provisions

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Provision for Employee benefits	-	-	-
Gratuity	1.54	1.25	0.86
Unavailed Leave and compensated absences	0.09	0.02	0.01
<b>Total</b>	<b>1.63</b>	<b>1.27</b>	<b>0.87</b>

## 30 Current Tax Liabilities (Net)

Particulars	(₹ in million)		
	As at 30th September, 2021	As at 31st March, 2021	As at 1st April, 2020
Current Tax Liability	-	-	-
Income Tax Payable	-	130.25	-
Current Tax Assets	-	-	-
Tax Refund Receivable	-	(127.48)	-
<b>Total</b>	<b>-</b>	<b>2.77</b>	<b>-</b>





**GUJARAT POLYSOL CHEMICALS LIMITED**

(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)

**Notes to Financial Information**

**31 Revenue from Operations**

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Sale of Products</b>		
Manufactured goods	1,713.15	3,212.30
<b>Traded goods</b>		
Trading of Chemicals	99.54	-
Crude Palm Oil, Soyabean Oil & N Butyl Acrylate in Bulk	-	562.50
<b>Sale of Services</b>		
Jobwork Charges Received	2.04	5.66
Rent Income	-	13.80
<b>Other Operating Revenues</b>		
Incentive from State Government	-	-
Scrap Sales	3.10	-
Export Incentives	0.66	1.81
<b>Total</b>	<b>1,818.49</b>	<b>3,796.06</b>

**32 Other Income**

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Interest Income on financial assets carried at amortised cost</b>		
Interest on deposit with bank	0.54	2.96
Others	0.21	0.84
<b>Net gain on foreign currency transactions and translation</b>	-	2.88
Scrap sale of Plant & Machinery	12.82	-
Sundry balance written back	0.11	1.55
Other Income	0.01	0.02
<b>Total</b>	<b>13.69</b>	<b>8.26</b>

**33 Cost of materials consumed**

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Consumption of Raw Materials	1,296.39	2,233.19
<b>Total</b>	<b>1,296.39</b>	<b>2,233.19</b>

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Raw materials consumed (including packing materials)</b>		
Opening Stock	274.03	211.85
Add : Purchases (Net)	1,369.76	2,295.37
Less : Closing Stock	347.41	274.03
<b>Total</b>	<b>1,296.39</b>	<b>2,233.19</b>

**34 Purchase of Stock in Trade**

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Purchase of stock in trade	-	-
Trading of Chemicals	84.17	-
Crude Palm Oil, Soyabean Oil & N Butyl Acrylate in Bulk	-	555.64
<b>Total</b>	<b>84.17</b>	<b>555.64</b>



## 35 Changes In Inventories

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Opening stock:</b>		
Work-in-progress	109.62	72.84
Finished goods	21.46	44.15
<b>Total (A)</b>	<b>131.08</b>	<b>116.99</b>
<b>Closing stock:</b>		
Work-in-progress	192.01	109.62
Finished goods	5.92	21.46
<b>Total (B)</b>	<b>197.93</b>	<b>131.08</b>
<b>Total(A-B)</b>	<b>(66.85)</b>	<b>(14.09)</b>

## 36 Employee Benefits Expense

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Salaries, Wages and Bonus	54.12	66.90
Contribution to Provident and Other Funds	2.43	2.46
Staff welfare expenses	0.93	1.51
<b>Total</b>	<b>57.48</b>	<b>70.88</b>

## 37 Finance Costs

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Interest on:</b>		
Borrowings from banks	28.55	60.57
Others	2.12	6.94
Loan processing fees and bank charges	4.74	9.86
<b>Total</b>	<b>35.41</b>	<b>77.37</b>

## 38 Depreciation and amortisation expense

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Depreciation on Property Plant & Equipment ( Refer note 4)	17.86	28.51
Depreciation on Investment Property ( Refer note 5)	-	2.30
Amortisation of Intangible assets ( Refer note 6)	0.11	0.07
<b>Total</b>	<b>17.98</b>	<b>30.88</b>

## 39 Other Expenses

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Consumption of stores & spares parts	2.15	2.11
Laboratory Expenses	0.31	1.23
Effluent Treatment Charges	0.80	1.19
Notified Area Charges	0.51	1.22
Power and fuel	67.35	113.08
Freight Inwards Charges	-	-
Loading & Unloading & Weighting charges	2.83	3.19
Water Charges	0.64	0.64
Security Charges	0.52	-
Exchange fluctuation (net)	1.46	-
Insurance	5.48	3.89
Legal expenses	6.22	17.58
Loss on sale of property, plant and equipment - Net	4.69	0.96
General Office Expenses	0.71	0.26
Payment to Auditors	0.24	0.48
Rent, Rates & stamp duty, Taxes	11.60	20.90
Travelling and conveyance	2.09	1.35
Repairs	-	-
- Buildings	0.67	1.35
- Machinery	12.51	24.75
- Others	7.77	13.14
Professional Tax	-	0.00
Advertising/Sales promotion	0.39	1.11
Commission on Purchase	0.35	0.10
Commission to selling agents	2.87	4.16
Doubtful and bad debts	0.05	1.10
Clearing & Forwarding Expenses	2.79	2.78
Miscellaneous expenses	2.07	6.15
Freight & Forwarding, packing Expenses	52.56	84.91
<b>Total</b>	<b>189.60</b>	<b>307.62</b>





(i) Payment to auditors has been classified below (Excluding Taxes):

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
(a) Auditor,	0.10	0.20
(b) For taxation matters,	0.08	0.15
(c) For company law matters,	-	-
(d) For other services,	0.06	0.13
(e) For reimbursement of expenses	-	-
<b>Total</b>	<b>0.24</b>	<b>0.48</b>

(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:

Gross amount of CSR expenditure required to be spent and actually spent are as follows:

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Gross amount required to be spent by the Company during the year	3.24	3.72
CSR Spent	3.24	3.72

Details of CSR expenditure are as follows:

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
(i) Construction/acquisition of any asset		
Paid in cash	0.50	2.00
Yet to be paid in cash	2.74	-
(ii) For purpose other than (i) above	-	1.72

#### 40 Tax Expense

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Current tax in relation to:</b>		
Current years	55.18	135.34
<b>Deferred Tax</b>		
In respect of current year	14.75	6.52
<b>Total income tax expense recognised in the current year</b>	<b>69.93</b>	<b>141.86</b>

(i) The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Profit before tax	223.87	542.82
Income tax expense calculated at 25.17%	56.35	136.63
<b>Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:</b>		
Expenses not allowed in Income Tax	0.13	0.46
Other Impacts	13.45	4.77
	<b>69.93</b>	<b>141.86</b>

#### 41 Other Comprehensive Income

(₹ in million)

Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>A - Items that will not be reclassified to Profit &amp; Loss</b>		
Re-measurements of the defined benefit plans	(2.85)	(0.81)
Income tax related to above	0.00	0.00
	<b>(2.85)</b>	<b>(0.81)</b>
<b>B - Items that will be reclassified to Profit &amp; Loss</b>		
		-
<b>Total</b>	<b>(2.85)</b>	<b>(0.81)</b>



## 42 Earnings Per Share

Particulars	(₹ in million)	
	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Profits available to equity shareholders (in ₹)	152.46	400.96
Weighted Average Number of Equity Shares		
- Basic	20.15	18.99
- Diluted	20.15	20.15
Earnings Per Share		
- Basic	7.56	21.11
- Diluted	7.57	19.90





**GUJARAT POLYSOL CHEMICALS LIMITED**  
(Formerly known as GUJARAT POLYSOL CHEMICALS PRIVATE LIMITED) (CIN :U24231GJ1989PLC012892)  
Notes to Financial Information

**43 Financial Ratios**

Ratios/Measure	Formulas	September 30, 2021	March 31, 2021	March 31, 2020
a) Current ratio	Current assets / current liabilities	1.99	1.81	1.48
b) Debt equity ratio	Debt / total shareholders' equity	0.59	0.54	0.74
c) Debt service coverage ratio	EBIT / Finance Cost Plus Principle	2.15	3.82	1.58
d) Return on equity %	PAT / total equity	9.70%	28.20%	21.46%
e) Trade receivables turnover ratio	Revenue from operations / average trade receivables	1.20	2.40	2.98
f) Trade payables turnover ratio	Adjusted expenses / average trade payables	2.02	3.19	4.05
g) Net capital turnover ratio	Revenue from operations / average working capital	1.68	4.46	6.79
h) Net profit %	Net profit / revenue	8.38%	10.56%	4.56%
i) EBITDA %	EBITDA / revenue	14.30%	16.90%	8.77%
j) Return on capital employed %	EBIT / Capital employed	9.77%	27.90%	22.17%
k) Inventory turnover ratio	Cost of goods sold / average inventory	2.76	7.56	12.55

**Notes:-**

EBIT - PAT+ Finance Cost + Taxes -Other Income

EBITDA - PAT+ Finance Cost + Taxes + Depreciation and Amortisation-Other Income

PAT - Profit after taxes divided by revenue from operation

Capital employed refers to Total Shareholder's Equity , Non Current Borrowing and Short Term Borrowing

All figures related to profit and loss have been extrapolated for the purpose of calculation of ratios.

The above ratios have been computed on the basis of the Restated Financial Information and ratios for current period are not annualised.



**44 Employee Benefits****(a) Defined Contribution Plans:**

Contributions to defined contribution plan are recognised as expenses when contributions become due.

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

**(i) Provident fund and Pension:**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

The total expenses recognised in the Statement of Profit and Loss during the year are as under:

Particulars	(₹ in million)	
	For the Period ended 30th September, 2021	For the year ended March 31, 2021
Employer's contribution to Provident and other Funds	2.43	2.46
<b>Total</b>	<b>2.43</b>	<b>2.46</b>

**(b) Defined Benefit Plan:****(i) Gratuity:**

The Company has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at September 30, 2021 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review.

This plan typically expose the Company to actuarial risks such as: investment risk, Liquidity Risk, Market risk and Legislative risk.

**(I) Investment Risk:**

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter valuation period.

**(II) Liquidity Risk:**

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

**(III) Market Risk:**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

**(IV) Legislative Risk:**

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Amounts recognized in the Financial Information in respect of defined benefit plan are as follows:

Particulars	(₹ in million)	
	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
<b>Service Cost:</b>		
Current Service Cost	0.65	1.10
Net interest expense/ (income)	0.02	0.04
<b>Components of defined benefit costs recognised in Employee Benefit Expenses</b>	<b>0.67</b>	<b>1.14</b>
<b>Re-measurement on the net defined benefit liability:</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	-	0.19
Actuarial (gains)/losses arising from experience adjustments	2.83	0.60
Return on Plan Assets excluding amount included in net interest cost	0.02	0.02
<b>Components of Re-measurement</b>	<b>2.85</b>	<b>0.81</b>
<b>Total</b>	<b>3.52</b>	<b>1.95</b>





The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows :

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Present Value of funded defined benefit obligation	9.41	5.81
Fair value of plan assets	(6.00)	(4.56)
<b>Net liability arising from defined benefit obligation</b>	<b>3.41</b>	<b>1.25</b>

Movements in the present value of the defined benefit obligation are as follows:

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Opening defined obligation	5.81	4.20
Current service cost	0.65	1.10
Interest cost	0.18	0.28
<b>Re-measurement (gains)/losses :</b>		
Actuarial (gains)/ losses arising from changes in financial assumptions	-	0.19
Actuarial (gains)/ losses arising from experience adjustments	2.83	0.60
Benefits paid	(0.05)	(0.56)
<b>Closing defined benefit obligation</b>	<b>9.41</b>	<b>5.81</b>

Movements in the fair value of plan assets are as follows:

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Opening value of plan assets	4.56	3.20
Interest income	0.16	0.24
Return on plan assets excluding amounts included in interest income	(0.02)	(0.02)
Contributions by employer	1.36	1.71
Benefits paid	(0.05)	(0.56)
<b>Closing defined benefit obligation</b>	<b>6.00</b>	<b>4.56</b>

Classification of Non-Current and Current Liability:

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Non-Current liability	1.54	-
Current liability	1.86	1.25
<b>Total</b>	<b>3.41</b>	<b>1.25</b>

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Mortality		
Withdrawal Rates	10.00% p.a at younger ages reducing to 2.00% p.a at older ages	10.00% p.a at younger ages reducing to 2.00% p.a at older ages
Discount Rate (%)	6.45% p.a.	6.45% p.a.
Salary escalation rate (%)	7.00% p.a.	7.00% p.a.
Rate of Return on Plan Assets (%)	6.45% p.a.	6.45% p.a.

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
Managed by insurer (Life Insurance Corporation of India)	100%	100%

Fair value of Investment in Insurance Company is taken as book value on reporting date.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Significant actuarial assumptions	(₹ in million)	
	As at 30th September, 2021	As at 31st March, 2021
<b>Discount Rate</b>		
Up by 0.5%	9.01	5.54
Down by 0.5%	9.83	6.09
<b>Salary increase</b>		
Up by 0.5%	9.82	6.09
Down by 0.5%	9.01	5.54
<b>Withdrawal Rate</b>		
Up by 0.5%	9.37	5.78
Down by 0.5%	9.45	5.83



The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**Maturity Profile of Defined Benefit Obligations:**

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021
Less Than One Year	1.04	0.44
One to Three Years	1.18	1.11
Four to Five Years	0.96	0.71
More than Five Years	5.13	3.33
<b>Total</b>	<b>8.32</b>	<b>5.59</b>

**(c) Other long term employee benefit plans**

**Leave encashment**

Amount of ₹ 0.99 million (31st March 2021 ₹ 0.06 million) is recognised as expenses and included in note no.36 "Employee benefit expense".





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**Notes to Financial Information**

**45 Lease**

The Company has entered into agreements for leasing lease hold lands on lease. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the short-term lease exemption to leases with lease term that ends within 12 months at the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
5. The accounting for operating leases with a remaining lease term of less than 12 months as at transition date as short-term leases.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Amount Recognized in Statement of Profit and Loss & Carrying Amount of Asset:

(₹ in million)		
Particulars	For the Period ended 30th September, 2021	For the year ended 31st March, 2021
Depreciation recognised in the Statement of profit and loss	0.27	0.23
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)	10.55	18.01
Total cash outflow for leases	10.55	18.01
Additions to ROU Assets during the year	35.12	0.61
Net Carrying Amount of ROU at the end of the year	52.49	17.64

The details of Right of Use Asset included in Property, Plant and Equipment (Note no. 4) held as lessee by class of underlying asset is presented below:

(₹ in million)		
Leasehold Land	As at 30th September, 2021	As at 31st March, 2021
Opening Balance	17.64	17.27
Additions During the year	35.12	0.61
Depreciation Recognized During the year	0.27	0.23
Net Carrying value	52.49	17.64

The table below provides details regarding amounts recognised in the Statement of Profit and Loss:

(₹ in million)		
Particulars	As at 30th September, 2021	As at 31st March, 2021
Expenses relating to short-term leases and/or leases of low-value items	10.55	18.01
Depreciation expense	0.27	0.23
Total	10.82	18.25



**46 Segment Information**

The Company is engaged in the manufacturing activity of agro chemicals, construction chemicals & leather chemicals etc. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Company operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and net profit of the sole reportable segment.

**A Geographical information**

The geographical information analyses the Company's revenue by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

**Revenue from operations**

Particulars	(₹ in million)	
	For the Period ended 30th September, 2021	For the year ended March 31, 2021
Revenue from external customers		
India		
Rest of the world	1,667.27	3,152.89
Total	145.42	621.90
	1,812.69	3,774.80





GUJARAT POLYSOL CHEMICALS LIMITED

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Notes to Financial Information

47 Commitments and Contingent Liabilities

(₹ in million)

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020
<b>i) Capital Commitments</b>			
Estimated amounts of contracts remaining to executed on capital account and not provided for	-	-	-
<b>ii) Contingent liabilities</b>			
Guarantee Deposits with Banks	3.21	3.21	3.21
Letter of Credit not accepted till date	107.30	72.64	117.77
Income Tax Matters	2.85	2.85	0.00
Excise & GST Matters	14.30	14.30	0.00
<b>Total</b>	<b>127.66</b>	<b>93.00</b>	<b>120.98</b>



48 Related Party Disclosures

Details of related parties

Description of relationship	Names of related parties
<b>I. Key Management Personnels</b>	
Shailesh Desai	Chairman & Managing Director
Umang Desai	Whole Time Director
Nilima Desai	Director (up to 21-07-2021)
Bhavisha Desai	Whole Time Director (with effect from 13-09-2021) & Additional Director (upto 13-09-2021)
Vijay Agarwal	Independent Director (with effect from 21-09-2021)
Sandhya Borase	Independent Director (with effect from 21-09-2021)
Rajesh Singh	Chief Executive Officer (with effect from 01-04-2021)
Dipakkumar Sanghani	Chief Finance Officer and Company Secretary
Khushru Petigara	Chief Operating Officer (with effect from 17-02-2022)
<b>II. Key Management Personnel or their relatives having significant influence over the entity:</b>	
Apurva International	
Polysol Financial services LLP	
Sarigam Industrial Products	
Bhavisha Industries	
Polysol Specialty Chemicals Private Limited	
Apurva Chemicals Private Limited (Erstwhile Apurva Chemicals, Partnership Firm converted to Private Limited from February 20, 2020)	
<b>III. Entity is a post employment benefit plan for the benefit of employees of the Company:</b>	
Gujarat Polysol Chemicals Private Limited -EGG Scheme	
<b>IV. Relatives of Key Management Personnel</b>	
Shirish Desai	
Sanjay Desai	
<b>V. Trusts</b>	
Rotary Shaikshanik and Tabibi Seva Sahayak	
<b>VI. KMP is KMP in another entity:</b>	
Menumate Private Limited	
Shailesh Desai HUF	

Transactions during the year:

Particulars		(₹ in million)		
	For the Period ended 30th September, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	
<b>1 Purchase</b>				
Apurva International	-	138.82	102.65	
<b>Total</b>	-	138.82	102.65	
<b>2 Sales</b>				
Apurva Chemicals Pvt Ltd	3.14	48.61	50.98	
Apurva International	-	-	186.68	
Bhavisha Industries	-	-	1.60	
Menumate India Private Limited	-	-	14.85	
Sarigam Industrial Products	-	0.03	-	
<b>Total</b>	3.14	48.64	254.10	
<b>3 Rent Income</b>				
Apurva International	1.65	3.22	3.07	
<b>Total</b>	1.65	3.22	3.07	
<b>4 Expenses</b>				
<b>Jobwork Charges Paid</b>				
Bhavisha Industries	16.59	15.68	13.68	
<b>Total</b>	16.59	15.68	13.68	
<b>Salary Expenses</b>				
Bhavisha Desai	0.17	0.36	0.36	
Nilima Desai	0.23	-	-	
Dipakkumar Sanghani	0.86	0.23	-	
Rajesh Singh	5.85	0.19	-	
<b>Total</b>	7.10	0.78	0.36	
<b>Gratuity Insurance Contribution</b>				
Gujarat Polysol Chemicals Private Limited -EGG Scheme	1.36	1.74	-	
<b>Total</b>	1.36	1.74	-	





<b>Warehouse rent</b>			
Bhavisha Desai	8.15	16.30	16.30
<b>Total</b>	<b>8.15</b>	<b>16.30</b>	<b>16.30</b>
<b>Donation</b>			
Rotary Shaikshanik and Tabibi Seva Sahayak	-	0.15	-
<b>Total</b>	<b>-</b>	<b>0.15</b>	<b>-</b>
<b>Director Remuneration</b>			
Shaillesh Desai	3.00	5.00	21.12
Umang Desai	1.80	2.60	8.68
Nilima Desai	0.37	1.20	1.20
Bhavisha Desai	0.10	-	-
<b>Total</b>	<b>5.27</b>	<b>8.80</b>	<b>31.00</b>
<b>5 Purchase/Sale of Property, Plant &amp; Equipment</b>			
Bhavisha Desai	-	-	20.42
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20.42</b>
<b>6 Interest on Unsecured Loan</b>			
Bhavisha Desai	-	-	-
Umang Desai	-	-	0.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7 Interest Paid</b>			
Shailleshkumar Desai	-	-	21.22
Umang Desai	-	-	0.47
Nilima Desai	-	-	0.46
Shaillesh Desai-HUF	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>22.15</b>
<b>8 Investment in wholly owned Subsidiary</b>			
Polysol Specialty Chemicals Private Limited	-	0.50	-
<b>Total</b>	<b>-</b>	<b>0.50</b>	<b>-</b>
<b>9 Sale of Investment in wholly owned Subsidiary</b>			
Polysol Specialty Chemicals Private Limited	-	0.50	-
<b>Total</b>	<b>-</b>	<b>0.50</b>	<b>-</b>

**Outsatnding Balances as at :**

		(₹ in million)		
Particulars		As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020
<b>1 Advance to supplier</b>				
Bhavisha Industries	30.45	15.15	18.74	
Apurva International	39.26	-	-	
Sarigam Industrial Products	0.31	0.31	0.31	
<b>Total</b>	<b>70.01</b>	<b>15.46</b>	<b>19.05</b>	
<b>2 Loan Given:</b>				
Shirish Desai	10.37	10.37	10.37	
Sanjay Desai	0.10	0.10	0.10	
<b>Total</b>	<b>10.47</b>	<b>10.47</b>	<b>10.47</b>	
<b>3 Receivables:</b>				
Apurva Chemicals Pvt Ltd	14.69	28.31	16.49	
Apurva International	-	0.01	50.57	
<b>Total</b>	<b>14.69</b>	<b>28.32</b>	<b>67.06</b>	
<b>4 Advances from Customers</b>				
Apurva International	5.80	2.60	-	
Menumate Private Limited	-	-	-	
<b>Total</b>	<b>5.80</b>	<b>2.60</b>	<b>-</b>	
<b>5 Payables:</b>				
Bhavisha Desai	0.30	-	-	
Bhavisha Industries	-	-	-	
Apurva International	-	8.91	2.31	
<b>Total</b>	<b>0.30</b>	<b>8.91</b>	<b>2.31</b>	
<b>6 Expenses Payable</b>				
<b>Director Remuneration Payable</b>				
Shailleshkumar Desai	-	1.01	-	
Umang Desai	-	0.45	-	
Nilima Desai	-	0.29	-	
Bhavisha Desai	0.10	-	-	
Vijay Gopi Kishan Agarwal	0.06	-	-	
Sandhya Mahesh Borase	0.06	-	-	
<b>Total</b>	<b>0.22</b>	<b>1.75</b>	<b>-</b>	
<b>Salary Payable</b>				
Nilima Desai	0.09	-	-	
Rajesh Singh	0.75	-	-	
Dipakkumar Sanghani	0.13	-	-	
<b>Total</b>	<b>0.96</b>	<b>-</b>	<b>-</b>	



**GUJARAT POLYSOL CHEMICALS LIMITED**

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**Notes to Financial Information****49 Capital management**

The Company's policy is to maintain stable ring strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitor's the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to equity'. For the purpose of Company's capital management, adjusted net debt is defined as short-term borrowings less cash and cash equivalent, bank balance other than cash and cash equivalents and current investments and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at 30th September, 2021	As at 31st March, 2021	As at 31st March, 2020
Short term borrowings	532.15	393.47	354.17
Less : cash and cash equivalent	1.09	8.93	13.48
Less : Bank balance other than cash and cash equivalents	41.89	40.05	58.71
Less : Current Investments	-	-	-
Adjusted net debt	489.18	344.49	281.97
Total equity	1,571.93	1,421.60	935.88
Net Debt to Equity Ratio	0.31	0.24	0.30





## 50 Financial Risk Management

The Company's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

### Risk management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

### (i) Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represents the maximum credit exposure.

### Trade and other receivables:

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Company are spread across diverse industries and geographical areas. The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customer. The Company has assessed and evaluated the expected credit loss for the year to be ₹ Nil.

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the management in accordance with practice and limits set by the Company.

In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Financing arrangement:

The Company maintains the following line of credit:

(i) Cash credit for banks from carry interest rate of 8.20% per annum, computed on a monthly basis on actual amount utilized, and are repayable on demand. These are secured by pari passu charge on movable and immovable property of the Company.

(ii) The Company has availed bill discounting facility (with recourse) from banks which carries interest between (31 March, 2021 8.50% to 8.65% per annum; 31 March 2020: 8.65% to 9.65%; 31 March 2019: 9.50% to 9.65%) and is payable within 45 days from the date of discounting of bills.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019 (Proforma). The amounts are gross and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements:

As at 30th September 2021					(₹ in million)
Particulars	Contractual cash flows				
	Carrying Amount	Total	0-1 year	More than 1 year	
Borrowings	925.61	925.61	532.15	393.46	
Lease liabilities	-	-	-	-	
Trade payables	552.55	552.55	549.07	3.48	
Other financial liabilities	16.88	16.88	16.88	-	

As at 31st March 2021					(₹ in million)
Particulars	Contractual cash flows				
	Carrying Amount	Total	0-1 year	More than 1 year	
Borrowings	771.41	771.41	393.47	377.94	
Lease liabilities	-	-	-	-	
Trade payables	886.95	886.95	879.41	7.54	
Other financial liabilities	8.94	8.94	8.94	-	

As at 31st March 2020					(₹ in million)
Particulars	Contractual cash flows				
	Carrying Amount	Total	0-1 year	More than 1 year	
Borrowings	694.44	694.44	354.17	340.27	
Lease liabilities	-	-	-	-	
Trade payables	899.06	899.06	891.75	7.32	
Other financial liabilities	91.67	91.67	91.67	-	



### (iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk as discussed below:

#### A) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, EUR, JPY etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

(₹ in million)			
Particulars	Trade receivables	Trade payables	Total
<b>As at 30th September, 2021</b>			
Amount in foreign currency (USD)			
Amount in ₹			
<b>As at 31st March, 2021</b>			
Amount in foreign currency (USD)			
Amount in ₹	0.30	5.94	6.24
<b>As at 31st March, 2020</b>	1657.40	450.68	2108.08
Amount in foreign currency (USD)	0.00	0.00	0.00
Amount in ₹	0.09	4.18	4.28
	1471.98	497.97	1969.95

#### B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument 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 companies's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, being a 0.2% increase or decrease in interest rate, with all other

Particular	As at 30th September, 2021	As at 31st March, 2021
<b>Effect on Profit before tax</b>		
Decrease by 0.2%	0.90	0.87
Increase By 0.2%	(0.90)	(0.87)

Other financial assets and liabilities of the Group are either non-interest bearing or fixed interest bearing instruments, the company's net exposure to interest risk on such instruments is negligible.

The above sensitivity analysis is based on a reasonably possible change in the under-lying interest rate of the company's borrowings while assuming all other variables to be constant.

Based on the movements in the interest rates historically and the prevailing market conditions as at the reporting date, the company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

#### c) Equity Price risk

There is no Equity Price risk in the company





**Financial instruments - fair values and risk management**

**Accounting classification and fair value**

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their level of fair value hierarchy:

**Fair value hierarchy**

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

The following table shows the carrying amounts of financial assets and financial liabilities as at 30th September, 2021:

Particulars	Carrying Amount 30-Sep-21	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost</b>					
Loans	2.67			2.67	2.67
<b>Total financial assets</b>	<b>2.67</b>	<b>-</b>	<b>-</b>	<b>2.67</b>	<b>2.67</b>
<b>Financial liabilities measured at amortised cost</b>					
Current borrowings	532.15			532.15	532.15
Trade payables	552.55			552.55	552.55
Other financial liabilities	16.88			16.88	16.88
<b>Total financial liabilities</b>	<b>1,101.58</b>	<b>-</b>	<b>-</b>	<b>1,101.58</b>	<b>1,101.58</b>

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2021:

Particulars	Carrying Amount 31-Mar-21	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost</b>					
Loans	2.56			2.56	2.56
<b>Total financial assets</b>	<b>2.56</b>	<b>-</b>	<b>-</b>	<b>2.56</b>	<b>2.56</b>
<b>Financial liabilities measured at amortised cost</b>					
Lease liabilities					
Current borrowings	393.47			393.47	393.47
Trade payables	886.95			886.95	886.95
Other financial liabilities	8.94			8.94	8.94
<b>Total financial liabilities</b>	<b>1,289.37</b>	<b>-</b>	<b>-</b>	<b>1,289.37</b>	<b>1,289.37</b>

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2020:

Particulars	Carrying Amount 31-Mar-20	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at amortised cost</b>					
Loans	6.27			6.27	6.27
<b>Total financial assets</b>	<b>6.27</b>	<b>-</b>	<b>-</b>	<b>6.27</b>	<b>6.27</b>
<b>Financial liabilities measured at amortised cost</b>					
Current borrowings	354.17			354.17	354.17
Trade payables	899.06			899.06	899.06
Other financial liabilities	91.67			91.67	91.67
<b>Total financial liabilities</b>	<b>1,344.90</b>	<b>-</b>	<b>-</b>	<b>1,344.90</b>	<b>1,344.90</b>

**Fair value hierarchy**

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes investment in mutual funds. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Fair valuation method**

The fair value of the financial assets and liabilities is 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. Investments in mutual funds carried at fair value are generally based on the Net Asset Value (NAV) as per the fund statement.



**51 Business Combination**

**I. Business Purchase of Partnership Firms- Polysol Industries & Urmi Polymer Industries:**

The Company had entered into a Business Transfer Agreements ('Agreement') dated May 29, 2020 and acquired the businesses of Polysol Industries and Urmi Polymer Industries (Collectively known as 'Transferors'), both being Partnership Firms, effective April 1, 2020 ('Acquisition date'). Urmi Polymer Industries was earlier acting as Job-worker of the Company. Polysol Industries was engaged in the trading of Edible oil and manufacturing of ferric and non-ferric Alum. Both businesses were transferred to gain the synergies of businesses.

Pursuant to this Agreement, the Company has agreed to make the payment of Purchase consideration amounting to ₹142.44 Million and ₹170.81 Million to Polysol Industries and Urmi Polymer Industries respectively, through the mode by issuing Equity Shares of the Company.

The Transferors were Partnership Firms and Shareholders of the Company were Partners of the firm. Since the Company and Firms have in turn been controlled by Common parent Mr. Shailesh Desai, the transaction has been accounted for in accordance with the Appendix C to Ind AS 103 "Common Control Business Combination", which requires retroactive accounting of the merger from the date common control was established. Accordingly, financial information as on April 1, 2018, being the earliest period presented in the restated financial statement of the Company and all periods, thereafter, have been restated to give effect of the merger.

**The accounting effects arising out of business transferrer are explained below:**

- (a) Equity shares amounting to ₹13.92 Million required to be issued to Partners and Share Premium amounting to ₹299.34 Million, has been accounted for as an item of equity on April 1, 2018, as equity shares proposed to be issued.
- (b) The carrying value of the assets, liabilities and reserves as appearing in their respective financial statements of Firms have been recognised in the financial statements of the Company.
- (c) The net effects of ₹ 130.57 Million arising out of the above adjustments have been recognised as a capital reserve on April 1, 2018.

**II. Amalgamation of wholly owned subsidiary- Triwal Board Private Limited:**

The Scheme of Arrangement ("Scheme") for amalgamation of Triwal Board Private Limited ("Transferor") with the Company with effect from January 1, 2018, ("the appointed date") has been approved by the Regional Director, North West Region ("RD, NWR") (Central Government), Ahmedabad Bench vide Order dated August 28, 2018.

Since the merger was accounted under Pooling of Interest method as prescribed under AS-14 Accounting for Amalgamation, difference between purchase consideration and share capital was adjusted with reserves of the transferee. However, the merger has been accounted as prescribed under Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations. This arrangement has been accounted under "common control" and the said Ind AS requires that the figures of the transferor company be incorporated in the comparative statements for the previous Financial Years 2017-18 (for the period prior to the Appointed Date).

The following accounting treatment, inter-alia, has been given effect to the Scheme:

- (a) As per Ind AS 103, all assets, liabilities, income and expenditure of transferor have been recorded in the books at their respective carrying amounts after eliminating intra group balances and transactions. Necessary adjustments have been made to ensure proper allocation of common assets and liabilities. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and is appearing in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Thus, all reserves which were adjusted under AS 14-accounting of Pooling of Interest method, are again aggregated with the reserves of transferee so as to maintain the identity of reserves of Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the business combination would also be available for distribution as dividend after the business combination.
- (b) Since, the transferor company was the wholly owned subsidiary of transferee company, investment in the books of transferee is cancelled with the share capital of transferor and the difference between investment in books of transferee and share capital of transferor is shown as Capital Reserve on Business Combination in the Other Equity.
- (c) The net effects of ₹ 209.30 Million arising out of the above adjustments have been recognised as a capital reserve on April 1, 2018.





## 52 First Time Adoption of Ind AS- Reconciliation

The Financial Statements of the Company as at September 30, 2021 has been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

These Ind AS financial statements, for the period ended September 30, 2021, are the first financial statements prepared in accordance with Ind AS. For years up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 ("IGAAP" or "Previous GAAP").

The Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Ind AS Financial Statements as of and for the years ended March 31, 2021 and April 1, 2020 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2020).

### I Optional exemptions availed and mandatory exceptions

The accounting policies have been applied in preparing the Restated financial information. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A Optional exemptions availed:

##### (i) Property, plant and equipment and intangible assets:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date April 01, 2020.

The Company has elected to measure intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

##### (ii) Business Combination

As per Ind AS, at the date of transition an entity may elect not to restate business combination that occurred before the date of transition. If the entity restate any business combination that occurred before the date of transition, then it restates all later business combinations. The Company has elected to apply Ind AS 103, Business Combinations retrospectively to past business combinations that occurred before the Ind AS transition date of 01 April 2020.

##### (iii) Leases - Right-of-use Asset and Lease Liability

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (April 01, 2020) when applying Ind AS 116 initially:

- lease liability is recognised, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- a right of use assets is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application; and
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

##### (iv) Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company has elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

#### B Ind AS mandatory exceptions

##### (i) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

##### (ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

##### (iii) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

#### II Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.



(i) Reconciliation of total equity between previous GAAP and Ind AS

Particulars	Notes to first time adoption	As at	
		March 31, 2021	March 31, 2020
Total Equity (shareholders funds) as per previous GAAP		1,486.52	1,089.15
Adjustments:			
Actuarial valuation impact on employee benefits	(i)	1.50	1.20
Lease Amortisation	(ii)	9.07	6.53
Tax impact		15.83	15.90
Others		(0.73)	(0.73)
Reversal of internally generated goodwill	(iii)	54.73	60.48
Impact of Business Combination		(15.48)	69.89
Total Adjustments		64.92	153.28
Total Equity as per Restated Ind AS		1,421.60	935.88

(ii) Reconciliation of total comprehensive income between previous GAAP and Ind AS

Particulars	Notes to first time adoption	For the year ended
		March 31, 2021
Profit After Tax as per previous GAAP		402.44
Actuarial valuation impact on employee benefits	(i)	(0.50)
Lease Amortisation	(ii)	2.53
Reversal of goodwill amortisation	(iii)	(5.75)
Tax impact		5.19
Net profit under Ind AS		400.96
Less: Other Comprehensive Income(Net of Tax)		0.60
Total Comprehensive Income for the Year		400.36

(iii) Impact of Ind AS adoption on the Restated Summary Statement of Cash Flows

There were no material differences between the restated summary statement of cash flow and cash flow statement under previous GAAP.

III Notes to First Time Adoption:

(i) Actuarial valuation impact on employee benefits

Upto the year ended March 31, 2021 the Company did not make provision for gratuity and leave encashment in accordance with the requirement of applicable accounting standard. Accordingly, provision for gratuity and leave encashment has been restated by the Company for the year ended March 31, 2021 in accordance with Ind AS 19. Further, provision for gratuity and leave encashment upto year ended 31 March 2020 which were not booked earlier as per applicable accounting standard, is debited/credited to retained earning as at April 01, 2020.

Under the previous GAAP, the remeasurements of the defined benefit plans were forming part of the profit or loss for the year. Under Ind AS, these remeasurements of the defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

(ii) Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the Statement of Profit and Loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

Under previous GAAP, the Company had not amortised leasehold land. In accordance Ind AS 116, the Company has identified leasehold land to be Right of Use (ROU) asset and hence applied Ind AS 116 retrospectively to give the impact of amortisation. As a consequence, the depreciation in the Statement of Profit and Loss for the period/year ended September 30, 2021 and March 31, 2021 has increased and there is corresponding decrease in the value of ROU Assets.





53 Impact and future uncertainties relating to Global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the Restated financial information including there coverability of carrying amounts of financial and non financial assets. Further the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the Restated financial information, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's Restated financial information may differ from that estimated as at the date of approval of these Restated financial information.

54 From the Financial Year 2019-20 and for subsequent period, the Company has after evaluation, decided to adopt the option permitted under section 115BAA of Income Tax Act, 1961 (as introduced by the Taxation Laws (Amendment) Ordinance 2019) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 29.12 and 34.60% (including surcharge and cess). Accordingly, the Company has recognized the Provision for Income Tax for the financial year ended 31st March 2021 and subsequent period based on the rates prescribed in the aforesaid section.

55 Figures for the period ended September 30, 2021 in the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash flows and the respective notes are for the period of 6 months (April 01, 2021 to September 30, 2021), whereas the details in said statements and notes for the other years presented are for 12 months. To this extent, figures reported for period ended September 30, 2021 are not comparable with other year figures.

56 Following the break out of a fire in one of factory premises situated at SRV.NO.260/7/1/3/4, Demani Road, Dadra & Nagar Haveli and Daman and Diu on May 14, 2021, the Company suffered loss of Plant & Machinery, Building and stock having their Gross Cost in the books amounting to ₹ 3.83 Million, ₹0.86 Million and ₹7.32 Million respectively. The Company is in the process of claiming reimbursement of these costs from its insurance arrangements. It is as yet too early to quantify the total reimbursement to be paid to the Company.

57 Events occurring after the balance sheet date and before signing of these financial statements

After the balance sheet date but before adoption of restated financial information by Board, Search under Income Tax Act, 1962 was conducted from November 18, 2021 to November 21, 2021 on the Company and its related parties and on Directors. No declaration has been given in such Search conducted. Since there is no declaration and its an event occurring after the reporting period, the same stands to be non-adjusting events in accordance with Ind AS-10, Events occurring after the reporting period.

For J. V. Vasani & Co.

Chartered Accountants

FRN NO : 114283W

Jignesh Vasani

Partner

Membership No: 047954

Place: Vapi

Date: 24-03-2022

UDIN : 22047954AFMQNM9717



For and on behalf of the Board of Directors of Gujarat  
Polysol Chemicals Limited

Shailesh Desai  
Managing Director  
DIN: 00266938  
Place: Vapi  
Date : 24-03-2022

Umang Desai  
Whole Time Director  
DIN: 05161181  
Place: Vapi  
Date : 24-03-2022

Rajesh Singh  
CFO

Place: Vapi  
Date : 24-03-2022

Dipak Sanghani  
CFO & Company secretary  
Membership No: 50568  
Place: Vapi  
Date : 24-03-2022

