

24th Annual Report

2017-2018

POLYGEL INDUSTRIES PRIVATE LIMITED

(CIN U17120MH1994PTC080074)

AUDITED BALANCE SHEET AS AT 31 MARCH 2018

	Notes	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	227,346,820	539,434,730
Reserves and Surplus	4	321,362,772	3,771,539
		548,709,592	543,206,269
Non Current Liabilities			
Long Term Borrowings	5	112,072,820	127,761,393
Long Term Provisions	6	4,245,387	5,079,403
		116,318,207	132,840,796
Current Liabilities			
Short Term Borrowings	7	274,191,271	129,706,064
Trade Payables	8	167,324,752	163,603,311
Other Current Liabilities	9	180,158,828	150,938,646
		621,674,851	444,248,021
Total		1,286,702,650	1,120,295,086
Assets			
Non Current Assets			
Property, Plant & Equipment			
Tangible Assets	10	141,316,607	138,097,998
Intangible Assets	11	124,057,276	79,210,808
Capital Work-in-Progress		-	31,449,266
Non Current Investments	12	307,284,286	304,281,046
Deferred Tax Assets (Net)	13	-	-
Long Term Loans and Advances	14	4,641,615	3,716,667
Other Non Current Assets	15	1,019,138	956,624
		578,318,922	557,712,409
Current Assets			
Inventories	16	242,651,365	240,730,966
Trade Receivables	17	274,146,084	225,446,445
Cash and Bank Balances	18	25,236,301	4,286,280
Short Term Loans and Advances	14	166,349,978	92,118,986
		708,383,728	562,582,677
Total		1,286,702,650	1,120,295,086
Summary of Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For KIRTANE & PANDIT LLP,

Firm Registration Number: 105215W/W100057

Chartered Accountants



Sandeep D. Welling
Partner
Membership No. 044576



For and on behalf of the board of directors of

Polygel Industries Private Limited


Luv Shah
Managing Director
*00616738


Nandkishore Shah
WTD & CFO
*00463849


Girish Nachane
Company Secretary

Place: Mumbai

Date: 14th August, 2018



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate information:

Polygel Industries Private Limited ("the Company") is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is at L/1/207 Great Eastern Galleria, Sector 4, Nerul (W), Navi Mumbai 400 706, Maharashtra, India. The company is engaged in the manufacturing and selling of reputed brands of Adhesives, Construction Chemicals and Specialty Chemicals. The company caters to both domestic and international markets. The Company has its manufacturing locations at Dadra, Rudrapur & Maharashtra.

2. Basis of preparation:

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared this financial statement to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current - non-current classification of assets and liabilities as per schedule III of the Companies Act, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

2.1 Summary of significant accounting policies:

a) Presentation and disclosure of financial statements:

For the year ended March 31, 2018, the Schedule III notified under the Companies Act 2013, was applicable to the company, for preparation and presentation of its financial statements. Schedule III of the Companies Act, 2013 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

b) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP, requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Borrowing cost related to acquisition of Property, Plant and Equipment which take substantial period 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.

Property, Plant and Equipment on which Input Credit of GST is not claimed are capitalized.

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 the existing asset beyond 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.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d) Intangible assets:

Intangible assets are acquired by the Company and separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- ▶ The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ▶ Its intention to complete the asset
- ▶ Its ability to use or sell the asset
- ▶ How the asset will generate future economic benefits
- ▶ The availability of adequate resources to complete the development and to use or sell the asset
- ▶ The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

e) Depreciation on the Property, Plant and Equipment:

Depreciation is recognized as per Part C of Schedule II to the Companies Act, 2013, becoming applicable w.e.f. from April 1, 2014, depreciation for the year ended March 31, 2018 has been provided on straight line method on the basis of useful lives as prescribed in the Schedule II of the Companies Act, 2013.

Name of the Block	Useful Life
Factory Buildings	30
Plant and Equipments	15
Utilities	15
Furniture and Fixtures	10
Computers	3
Vehicles	8

Cost of leasehold land is amortised over the period of lease. Patents and Technical Know-how are amortised over the period of ten years.

Depreciation on additions/ to assets or a sale/discardment of assets is calculated pro rata on day basis.

Leases:

Where the company is lessee

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the fair value of the leased property and disclosed as **leased assets**. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the lease term.

Where the company is lessor

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

f) Borrowing cost:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of Property, Plant and Equipment:

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible Property, Plant and Equipment, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories:

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a FIFO basis.

Work in Progress is valued at Raw Material cost plus labour cost and fixed and variable production overheads.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Trade Receivables:

As on March 31, 2018, total receivables were Rs 2741.46 Lakhs out of these, Rs. 45.74 lakhs outstanding for more than 5 years is written off.

k) Cash and Cash equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three month or less.

l) Provisions:

A provision is recognized when the company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

m) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects applicable taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company.

Interest

Interest income is recognized on an accrual basis taking into account the amount at the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export incentives

Export Incentives are recognized on accrual basis.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

n) Foreign currency transactions:

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Exchange differences

Exchange differences arising on the settlement of monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

o) Retirement and other employee benefits:

Retirement benefits in the form of provident fund are defined contribution schemes. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

Gratuity is defined benefit obligation and is provided for on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leaves at the end of the year are lapsed. Hence, provision for Leave Encashment is not made in the books of accounts.

p) Income taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years.

Deferred tax is measured on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain or virtually certain as the case may be that sufficient future



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent it is no longer reasonably certain as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

q) Segment reporting:

Identification of segments

The Company is mainly engaged in Chemical Business which is considered the primary reportable business segment as per Accounting Standard AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment accounting policies

The Company prepares its geographical segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

r) Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

s) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.



POLYCEL INDUSTRIES PRIVATE LIMITED

(CIN U17120MH1994PTC080074)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3 Share Capital

Authorised Share Capital :

55,000,000 (31 March 2017: 15,000,000) Equity Shares of Rs. 10/- each
Nil (31 March 2017: 40,000,000) Equity Shares (Series A) of Rs. 10/- each

Issued, subscribed and fully paid-up :

22,734,682 (31 March 2017: 13,943,473) Equity Shares of Rs. 10/- each
Nil (31 March 2017: 40,000,000) Equity Shares (Series A) of Rs. 10/- each
Total issued, subscribed and fully paid-up share capital

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Authorised Share Capital :		
55,000,000 (31 March 2017: 15,000,000) Equity Shares of Rs. 10/- each	550,000,000	150,000,000
Nil (31 March 2017: 40,000,000) Equity Shares (Series A) of Rs. 10/- each	-	400,000,000
Issued, subscribed and fully paid-up :		
22,734,682 (31 March 2017: 13,943,473) Equity Shares of Rs. 10/- each	227,346,820	139,434,730
Nil (31 March 2017: 40,000,000) Equity Shares (Series A) of Rs. 10/- each	-	400,000,000
Total issued, subscribed and fully paid-up share capital	227,346,820	539,434,730

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

Equity Shares	31 March 2018		31 March 2017	
	Numbers	Amount	Numbers	Amount
At the beginning of the period	13,943,473	139,434,730	13,943,473	139,434,730
Add : Addition during the year	8,791,209	87,912,090	-	-
Outstanding at the end of the period	22,734,682	227,346,820	13,943,473	139,434,730

Equity Shares (Series A)	31 March 2018		31 March 2017	
	Numbers	Amount	Numbers	Amount
At the beginning of the period	40,000,000	400,000,000	40,000,000	400,000,000
Less : Redemption	40,000,000	400,000,000	-	-
Outstanding at the end of the period	-	-	40,000,000	400,000,000

b. Terms/rights attached to equity shares

The company has two classes of equity shares having a par value of Rs. 10 per share i.e. normal equity and equity Series A. Each holder of ordinary equity shares is entitled to one vote per share. 4,00,00,000 Equity Shares of series A were converted into 87,91,209 ordinary equity shares of Rs. 10/- per share @ a premium of Rs. 35.50 per share on 27th November, 2017.

c. Details of shareholders holding more than 5% shares in the company

Equity shares of Rs. 10 each fully paid	31 March 2018		31 March 2017	
	Numbers	% holding	Numbers	% holding
Polygel Ventures Limited	15,846,764	68.82	6,855,555	49.17
Khukri Enterprises Private Limited	1,486,800	6.54	1,486,800	10.66
Luv Shah	-	-	837,817	6.01
Pegasus Constatchem Private Limited	-	-	800,000	5.74
Kush Shah	-	-	770,000	5.52

Series A equity shares	31 March 2018		31 March 2017	
	Numbers	% holding	Numbers	% holding
Polygel Ventures Limited	-	-	40,000,000	100

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

d. Details of Share Pledge

Promoters of the Company has pledged 3592888 equity shares to Axis Bank Ltd as per the conditions laid by the Bank to issue 'No Objection Certificate' for sale of assets to Polygel Organometallic (B) Sdn bhd.



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4 Reserves and Surplus

a) Capital Redemption Reserve

Balance as per last financial statements
Closing balance

31 March 2018 (Rupees)	31 March 2017 (Rupees)
600,000	600,000
600,000	600,000

b) Securities Premium account

Balance as per the last financial statements
Add: Conversion of series A shares into normal equity shares
Closing balance

159,080,280	159,080,280
312,087,910	-
471,168,190	159,080,280

c) Retained Earnings

Balance as per last financial statements
Add: Profit / (Loss) for the year
Net surplus in the statement of profit and loss

(155,908,741)	(268,095,748)
5,503,323	112,187,007
(150,405,418)	(155,908,741)

Total Reserves and Surplus

321,362,772	3,771,539
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5 Long Term Borrowings

	Non Current		Current	
	31 March 2018 (Rupees)	31 March 2017 (Rupees)	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Secured loans				
Loan from Promoters	108,406,940	110,406,156	1,932,640	1,856,670
Others	733,870	1,691,997	958,127	958,127
Unsecured Loans	2,932,010	15,663,240	1,675,750	4,384,709
Current maturities disclosed under the head "Other Current Liabilities" (refer note 9)	-	-	(4,566,517)	(7,199,506)
Net Amount	112,072,820	127,761,393	-	-

(Loan from promoters : loan availed from financial institution on mortgage of personal properties of promoters)

6 Provisions

	Long Term		Short Term	
	31 March 2018 (Rupees)	31 March 2017 (Rupees)	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Provision for employee benefits				
Provision for gratuity (refer note 28)	4,245,387	5,079,403	-	-
Provision for Bonus	-	-	920,977	846,244
	4,245,387	5,079,403	920,977	846,244



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7 Short Term Borrowings

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
a) Cash Credit from Axis Bank Limited	146,741,495	49,003,883
b) Buyers Credit from Axis Bank Limited	11,262,468	13,690,872
c) Cash Credit from The Zoroastrian Co.Op. Bank Limited	97,370,381	49,161,791
d) SBI Global Factors Limited	18,816,927	17,849,518
	274,191,271	129,706,064
The above amount includes		
Secured borrowings	274,191,271	129,706,064
	274,191,271	129,706,064

Cash credit, packing credit and buyers credit of Axis Bank Limited is secured against primary security of hypothecation of entire current assets (present and future) on pari passu basis with ZCBL Bank. The cash credit is repayable on demand and carries interest of 10.00 % p.a. Cash credit from ZCBL is secured against hypothecation of entire stock and book debts on parri passu basis with Axis Bank Limited and carries an interest of 12.50 %.

8 Trade Payables

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Trade payables (refer note 36)	167,324,752	163,603,311
	167,324,752	163,603,311

9 Other Current Liabilities

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Current maturities of long term borrowings (refer note 5)	4,566,517	7,199,506
Creditors for capital goods	3,642,709	924,475
Advance from customers	59,573,206	59,614,060
Others		
Interest free deposits from customers	14,589,298	13,067,400
Provision for excise duty on finished goods	-	719,712
Provision for MAT	1,350,000	57,000
Provision for bonus	920,977	846,244
Statutory dues	8,871,969	4,697,508
Others	86,644,152	63,712,741
	180,188,828	180,838,846



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10 Tangible Assets

	Land	Building	Plant and equipments	Furniture	Vehicles	Total
Cost or valuation						
At 1 April 2016	24,115,788	66,114,750	292,260,450	11,318,347	6,954,817	400,764,152
Additions	-	-	4,111,916	5,152	-	4,117,068
Disposals	-	-	(131,349,433)	-	-	(131,349,433)
At 31 March 2017	24,115,788	66,114,750	165,022,933	11,323,499	6,954,817	273,531,787
At 1 April 2017						
Additions	-	1,334,785	10,361,084	211,160	-	11,907,029
Disposals	-	-	(550,000)	-	-	(550,000)
	-	1,334,785	9,811,084	211,160	-	11,357,029
At 31 March 2018	24,115,788	67,449,535	174,834,017	11,534,659	6,954,817	284,888,816
	Land	Building	Plant and equipments	Furniture	Vehicles	Total
Depreciation						
At 1 April 2016	1,594,901	21,332,360	90,915,077	7,082,197	2,595,006	123,519,541
Charge for the year	227,843	2,037,597	15,956,029	1,440,937	736,431	20,398,837
Disposals	-	-	(8,484,589)	-	-	(8,484,589)
At 31 March 2017	1,822,744	23,369,957	98,386,517	8,523,134	3,331,437	135,433,789
Charge for the year	227,843	1,500,837	5,429,306	435,459	544,975	8,138,420
Disposals	-	-	-	-	-	-
	227,843	1,500,837	5,429,306	435,459	544,975	8,138,420
Depreciation on disposal						
At 31 March 2018	2,050,587	24,870,794	103,815,823	8,958,593	3,876,412	143,572,209
Net Block						
At 31 March 2017	22,293,044	42,744,793	66,636,416	2,800,365	3,623,380	138,097,998
At 31 March 2018	22,065,201	42,578,741	71,018,194	2,576,066	3,078,405	141,316,607

Land includes land held on leasehold basis

Particulars	31 March 2018	31 March 2017
Gross block	24,115,788	24,115,788
Depreciation charge for the year	227,843	227,843
Accumulated depreciation	1,822,744	1,594,901
Net book value	22,065,201	22,293,044

Building includes those constructed on leasehold land

Particulars	31 March 2018	31 March 2017
Gross block	67,449,535	66,114,750
Depreciation charge for the year	1,500,837	2,037,597
Accumulated depreciation	23,369,957	21,332,360
Net book value	42,578,741	42,744,793



11 Intangible Assets

	Goodwill	Patents	Technical know now	Total
Gross block				
At 1 April 2016	48,000,000	24,906,210	190,973,922	263,880,132
Additions	-	-	-	-
Disposals	-	-	(94,072,661)	(94,072,661)
At 31 March 2017	48,000,000	24,906,210	96,901,261	169,807,471
Additions	-	-	60,434,425	60,434,425
Disposals	-	-	-	-
Transferred to Capital WIP	-	-	-	-
	-	-	60,434,425	60,434,425
At 31 March 2018	48,000,000	24,906,210	157,335,686	230,241,896
Amortisation				
At 1 April 2016	-	18,041,725	97,257,194	115,298,919
Charge for the year	4,800,000	2,006,151	9,425,979	16,232,130
Amortisation on Disposals	-	-	(40,934,386)	(40,934,386)
At 31 March 2017	4,800,000	20,047,876	65,748,787	90,596,663
Charge for the year	4,800,000	686,448	10,101,508	15,587,957
Amortisation on Disposals	-	-	-	-
At 31 March 2018	9,600,000	20,734,324	75,850,295	106,184,620
Net Block				
At 31 March 2017	43,200,000	4,858,334	31,152,474	79,210,808
At 31 March 2018	38,400,000	4,171,885	81,485,391	124,057,276



POLYGEL INDUSTRIES PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

12 Non Current Investments

Non - trade investments (valued at cost unless stated otherwise)

Investment in equity instruments (unquoted)

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
The Zoroastrian Co-Op Bank Limited	100,000	100,000
4000 (31 March 2017 : 4000) Equity Shares of Rs. 25/- each fully paid up		
Probuild India Marketing Private Limited	99,000	99,000
9900 (31 March 2017 : 9900) Equity Shares of Rs. 10/- each fully paid up		
Polygel Organometalic (B) Sdn Bhd	304,082,046	304,082,046
6081648 (31 March 2017 : 6081648) Equity Shares of B\$. 1/- each fully paid up		
ZXprc India Private Limited	3,003,240	-
72581 (31 March 2017 : Nil) Equity Shares of Rs. 10/- each fully paid up		
Premium Rs. 30/- each		
10000 (31 March 2017 : Nil) Equity Shares of Rs. 10/- each fully paid up		
	307,284,286	304,281,046

13 Deferred Tax Assets (Net)

Deferred tax liability

Property, Plant & Equipment : Impact of difference between tax depreciation and book depreciation

Gross deferred tax liability

Deferred tax asset

Carry forward losses

Provision for doubtful debts and advances

Provision for Gratuity

Expenditure disallowed under section 43B

Gross deferred tax asset

Net deferred tax asset

	31 March 2018 (Rupees)	31 March 2017 (Rupees)
	55,808,161	1,880,326
	55,808,161	1,880,326
	62,103,296	55,388,389
	-	154,500
	-	366,082
	284,582	284,003
	62,387,878	56,192,974
	6,579,717	54,312,648

The company has not recognised deferred tax of (Rs. 6,579,717) (31 March 2017 Rs. 54,312,648) on account of carry forward of losses.

14 Long Term Loans and Advances

	Long Term		Short Term	
	31 March 2018 (Rupees)	31 March 2017 (Rupees)	31 March 2018 (Rupees)	31 March 2017 (Rupees)
Capital advances (Unsecured, considered good)	-	-	8,100	19,240
	-	-	8,100	19,240
Secured, considered good				
Security deposit (Unsecured, considered good)	2,953,121	2,804,856	-	-
Total (A)	2,953,121	2,804,856	8,100	19,240
Advances recoverable in cash or kind				
Unsecured considered good	-	-	39,894,396	49,222,535
	-	-	39,894,396	49,222,535
Provision for doubtful advances	-	-	-	-
Total (B)	-	-	39,894,396	49,222,535
Other loans and advances				
Advance Income Tax (net of provision for taxation)	1,688,494	911,811	-	-
Prepaid expenses	-	-	1,298,976	1,689,133
Loans given to related parties/others (Refer Note 31)	-	-	82,343,377	8,410,688
Loans to employees	-	-	2,451,825	2,716,785
Others	-	-	36,863,284	17,593,416
Balances with statutory/Government authorities	-	-	23,490,020	12,467,291
Total (C)	1,688,494	911,811	126,447,482	42,877,211
Grand total (A + B + C)	4,641,615	3,716,667	166,349,978	92,118,986



POLYGEL INDUSTRIES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15 Other Non Current Assets

Unsecured, considered good unless stated otherwise
Non-current bank balances (refer note 18)

Non current	
31 March 2018 (Rupees)	31 March 2017 (Rupees)
1,019,138	956,624
<u>1,019,138</u>	<u>956,624</u>

16 Inventories
(valued at lower of cost and net realizable value)

Raw materials (Refer Note 21)
Packing Materials (Refer Note 21)
Finished Goods (Refer Note 22)
Work in progress (Refer Note 22)
Consumables/Stores
Total

31 March 2018 (Rupees)	31 March 2017 (Rupees)
167,304,809	161,670,145
26,378,165	20,005,167
25,025,156	32,780,213
18,650,078	17,881,454
5,293,157	8,393,987
<u>242,651,365</u>	<u>240,730,966</u>

17 Trade Receivables

Unsecured, considered good unless stated otherwise
Outstanding for a period exceeding six months from the date they are due for payment
Unsecured, considered good
Doubtful

Provision for doubtful receivables
Total (A)

Other receivables
Unsecured, considered good

Total (B)
Total (A + B)

Current	
31 March 2018 (Rupees)	31 March 2017 (Rupees)
15,191,173	11,081,916
54,363	826,911
<u>15,245,536</u>	<u>11,908,827</u>
(54,363)	(826,911)
<u>15,191,173</u>	<u>11,081,916</u>
258,954,911	214,364,529
<u>258,954,911</u>	<u>214,364,529</u>
258,954,911	214,364,529
<u>274,146,084</u>	<u>225,446,445</u>

18 Cash and Bank Balances

Cash and cash equivalents
Balances with banks :
On current accounts
Cash on hand

Other bank balances
Deposit with original maturity for more than 3 months but less than 12 months
Deposit with original maturity for more than 12 months

Amount disclosed under Non Current Assets (refer note 15)

Non current		Current	
31 March 2018 (Rupees)	31 March 2017 (Rupees)	31 March 2018 (Rupees)	31 March 2017 (Rupees)
-	-	18,993,228	241,082
-	-	3,237,273	2,286,854
-	-	<u>22,230,501</u>	<u>2,527,916</u>
-	-	3,005,800	1,758,364
1,019,138	956,624	-	-
<u>1,019,138</u>	<u>956,624</u>	<u>3,005,800</u>	<u>1,758,364</u>
(1,019,138)	(956,624)	-	-
<u>-</u>	<u>-</u>	<u>25,236,301</u>	<u>4,286,280</u>

Non current fixed deposits include deposits with original maturity for more than 12 months are pledged by the company with banks & government authorities. The same are treated as non-current since they are not expected to be realised by the company within 12 months.

