POLYMECHPLAST MACHINES LTD.

polymechplast MACHINES LTD.

TÜV NORD

34th Annual Report 2020-2021

A Promise to Commitment & Growing Satisfaction

GOLD COIN ®

THIRTY FORTH ANNUAL REPORT 2020-21

BOARD OF DIRECTORS

Mr. M. R. Bhuva	(Chairman & Managing Director)
Mr. H. P Bhuva	(Executive Director)
Mrs. H. D. Pathak	(Independent Director)
Mr. A. N. Shah	(Independent Director)

REGISTERED OFFICE & WORKS

CIN : L2731OGJ1987PLC009517
"Gold Coin House"
Plot No. 776, G.I.D.C. Industrial Estate,
Makarpura,Vadodara - 390 010.
Ph. : (0265) 2632210
E-mail: goldcoin@ polymechplast.com
Visit us at : www.polymechplast.com

BAMANGAM UNIT

Plot No. 515,520,521 & 519A
At & Post. Bamangam, Tal. Karjan, Dist. Vadodara

MUMBAI BRANCH OFFICE

D-103, Lata Annexe, Goyal Complex,
Near National Park, On Western Express Highway
Borivali (E), Mumbai - 400066.

DELHI BRANCH OFFICE

411, Aggrawal Prestige Mall,
Plot No.2, Community Centre, Road No. 44,
Pitampura (Near M2K), New Delhi - 110034
Phone : (011) 27028101, 65170869

KOLKATA BRANCH OFFICE

Room No. 4 C, 4th Floor, Sunderam Building,
46 F Rafi Ahmed Kidwai Road, Kolkata - 700016.
Ph. : (033)22298400 Fax : (033)22216650

BANGALORE BRANCH OFFICE

Swastik Manandi Arcade,
401/2, T/2, Subedar Chatram Road,
Seshadripuram, Bangalore - 560020.

STATUTORY AUDITORS

CNK & Associates LLP, Chartered Accountants
C-201-202, Shree Siddhi Vinayak Complex,
Opp Aklapuri Side Railway Station,
Faramji Road, Alkapuri,Vadodara 390005

SECRETARIAL AUDITOR

Devesh Pathak & Associates
Practising Company Secretaries, First Floor,
51, Udyognagar Society, Nr. Ayurvedic College,
Outside Panigate, Vadodara-390019

BANKERS

INDIAN OVERSEAS BANK
Makarpura Branch,
Erda Road,
Vadodara - 390 010.

HDFC BANK LTD
Arunoday Society,
Alkapuri,
Vadodara. - 390 007.

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Ltd.
1st Floor, Neelam Apartment,
88, Sampatrao Colony,
Above Chappanbhog Sweet,
12, Sampatrao Colony, B/h Laxmi Hall,
Alkapuri, Vadodara, Gujarat
Tel: +91 265 2314757 / 2350490
E-mail: mcsltdbaroda@gmail.com

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NOTICE

NOTICE is hereby given that the 34th ANNUAL GENERAL MEETING of the Members of the Company will be held on the Saturday, 25th September, 2021 at 11.00 a.m. through Video Conferencing(VC) / other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt

   (i) the Audited Standalone Financial Statement for the year ended on 31st March, 2021 and the Reports of the Auditors' and Board of Directors' thereon.

   (ii) the Audited consolidated Financial Statement for the year ended 31st March, 2021 and the Report of Auditors thereon.

2. To appoint a Director in place of Mr. M. R. Bhuva (DIN: 00054562) who retires by rotation and being eligible, offers himself for re-appointment.

3. To declare dividend.

SPECIAL BUSINESS:

4. <u>TO APPROVE THE APPOINTMENT OF MR. MAHENDRA R. BHUVA AS MANAGING DIRECTOR (DIN:00054562)</u>

To consider and if thought fit to pass following resolution as a Special Resolution

“RESOLVED THAT the approval, be and is, hereby accorded pursuant to the provisions of section 196 ,197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), to the appointment of Mr. M. R.Bhuva (DIN 0054562) as Managing Director of the Company with effect from 1st June, 2021 at a remuneration of Rs. 3,00,000/-(Rs. Three Lacs only) per month and other perquisites and on such other terms and conditions as set out in the draft agreement to be entered into by Company for his term of three years from 1st June, 2021 to 31st May, 2024 as approved by Nomination & Remuneration Committee and Board of Directors at their respective meeting held on 29th May 2021.

RESOLVED FURTHER THAT the Board of Directors will have liberty to alter and/or vary the terms and conditions of the remuneration which shall not exceed the limits specified in Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereof, as may be agreed to between the Board and Mr. M. R.Bhuva.

RESOLVED FURTHER THAT in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR'), applicable provisions of the Act read with the rule made thereunder and other laws applicable [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], approval, be and is hereby accorded to the aforesaid remuneration to Mr. M. R. Bhuva as Managing Director during his aforesaid term notwithstanding:

(a) The annual remuneration payable to him exceeds Rs. 5 Crores or 2.5% of the net profit of the Company Calculated as per the provisions of sections 198 of the Act, whichever is higher.

<u>OR</u>

(b) The aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profit of the Company calculated as per the provisions of Section 198 of the Act.

“RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

5. TO APPROVE REVISION IN REMUNERATION PAYABLE TO MR. HIMMATLAL P. BHUVA AS AN EXECUTIVE DIRECTOR (DIN:00054580)

To consider and if thought fit to pass following resolution as a Special Resolution

"RESOLVED THAT in partial modification of Resolution No.7 passed at the 32nd AnnualGeneral Meeting of the Company held on 28th September, 2019 in respect of re-appointment of and remuneration payable to Mr. Himmatlal Bhuva, Whole-time Director of the Company and pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') [including any statutory modification) or re-enactment(s) thereof for the time being in force] read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company, be and is, hereby accorded to the revision in the terms of remuneration of Mr. Himmatlal Bhuvaas an Executive Director of the Company, by way of increase in the maximum amount of salary payable to him with authority to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) with effect from 1st June, 2021 up to his residual tenure ending on 30th September, 2022 at a remuneration of Rs. 300,000/- (RupeesThree Laks only) and on such other terms and conditions as set out in the explanatory statement annexed here to and draft Supplemental Agreement to be entered into by the Company with him as recommended by the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company at their respective meeting held on 29thMay, 2021.

RESOLVED FURTHER THAT in case of no profit or inadequacy of profits in any financial year during the currency of his tenure, the remuneration as aforesaid will be paid as minimum remuneration.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), applicable provisions of the Act read with rules made thereunder, other applicable laws if any [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] as also pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Approval be and is hereby accorded, to the continuation of payment of remuneration to Mr. Himmatlal P. Bhuva (DIN: 00054580) (belonging to promoter group) as a whole time Director as per existing terms and conditions as approved by the shareholders of the Company, at their 32ndAnnual General Meeting held on 28th September, 2019 for his residual terms ending on 30th September, 2022 notwithstanding:

(a) the annual remuneration payable to him exceeds Rs. 5 Crores or 2.5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher,

OR

(b) the aggregate annual remuneration of all the Executive Directors exceeds 5 percent of the net profits of the Company calculated as per the provisions of Section 198 of the Act.

"RESOLVED FURTHER THAT any Director and Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, including to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

6. ISSUANCE OF EQUITY SHARES UPTO 8,20,010 TO NON- PROMOTER CATEGORY, ON A PREFERENTIAL BASIS.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

RESOLVED THAT pursuant to the provisions of Sections 23, 42 & 62 and other applicable provisions, if any, of the Companies Act, 2013,as amended **(" the Companies Act")** read with the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, as amended from time to time, and various rules, regulations, circulars, press notes, clarifications issued by the Securities and Exchange Board of India, including but not restricted to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 **("SEBI ICDR**

Regulations"), and subsequent amendments thereto, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and amendments thereto, Regulation 41(4) and other regulations applicable, if any the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India **("SEBI") ("SEBI Regulations")**, the Reserve Bank of India **("RBI")** and the stock exchange where the shares of the Company are listed **("Stock Exchange")** and enabling provisions of the Memorandum and Articles of Association of the Company and subject to requisite approvals, consents, permissions and/or sanctions of the appropriate statutory authorities ,if any, and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**), the Board be and is hereby authorized to create, offer, issue(including reissue out of for feited shares if any and allot upto 8,20,010equity shares of face value of Re. 10/- each **("Equity Shares")**, fully paid up, for cash, at a price of Rs. 61/- (Rupees Sixty One Only) per share which including premium of Rs. 51/- (Rupees Fifty One Only) determined in accordance with Regulation 164 of Chapter V of SEBI ICDR Regulations, 2018 , for consideration in cash to Vivan Patel, Reshma Patel, Suresh Hirabhai Patel HUF and Yesha Electricals Private Limited, Non- Promoter Group category by way of Preferential Allotment in one or more tranches (hereinafter referred to as **"Proposed Allottee(s)** and as mentioned in the Explanatory Statement annexed hereunto to this Notice, in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

The list of Proposed Allottee's to whom Equity shares would be issued are as under:

Sr. no.	Proposed Name of Allottee's	PAN	Proposed No of Equity Shares in the Company to be allotted	Indicative Amount (INR)
1.	Vivan Patel	AAAPP3648M	**81,970**	50,00,170
2.	Reshma Patel	AAFPP5313C	**1,06,560**	65,00,160
3.	Suresh Hirabhai Patel HUF	AAAHS1050E	**1,06,560**	65,00,160
4.	Yesha Electricals Private Limited	AAACY0661L	**5,24,920**	3,20,20,120
TOTAL			**8,20,010**	**5,00,20,610**

RESOLVED FURTHER THAT in accordance with the provisions of Chapter V of the SEBI ICDR Regulations, the **"Relevant Date"** for the purpose of calculating the price for the issue and allot upto 8,20,010 equity shares shall be Thursday, August 26, 2021 which being the date falling 30 days prior to last date of the meeting and the price as calculated as per ICDR Regulation 2018 is of Rs. 50.12/- (Rupees Fifty and Twelve Paise only).

RESOLVED FURTHER THAT the new equity shares shall rank pari-passu with the existing Equity shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares."

RESOLVED FURTHER THAT the issue of shares as above will be subject to the following major terms and conditions:

A) Pursuant to regulation 167 of the SEBI (ICDR) Regulations:

a) The Proposed Allottee's of Equity Shares shall be required to bring in 100% of the consideration, for the Equity Shares to be allotted, on or prior to the date of allotment thereof.

b) The consideration for allotment of Equity Shares shall be paid to the Company by the Proposed Equity Allottee's from his bank account.

c) The upto 8,20,010equity shares allotted on preferential basis to the Non-promoter shall be locked in up to a period of 1 year from the date of trading permission or as directed by the Stock Exchange as per the requirement of Regulation 167 and 168 of SEBI ICDR Regulations;

d) The entire pre-preferential allotment shareholding of Suresh Hirabhai Patel HUF shall be locked-in from the relevant date up to a period of six months from the date of the trading approval as specified under Regulation 167(6) of the SEBI ICDR Regulations.

e) Subject to regulation 163 of the SEBI ICDR Regulations, the Board there under shall allot not more than 8,20,010equity share of face value Rs. 10/- each at an issue price of Rs.61/- each (including premium) and post allotment the paid up capital of the company will not exceed 56,01,710 equity shares of face value of Rs.10/- each;

f) The Equity Shares so allotted to the Proposed Equity Allottee's under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations, 2018 except to the extent and in the manner permitted there under.

g) The Equity Shares shall be allotted in dematerialized form within a period of 15 (fifteen) days from the date of passing of the special resolution by the members, provided that in case the allotment of Equity Shares is subject to receipt of any approval from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

RESOLVED FURTHER THAT subject to the provisions of the SEBI (ICDR) and other applicable laws, the Board there under be and is hereby authorized to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue to the aforesaid Non- promoter Category, as may deem expedient.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient for such purpose, including without limitation, distribution of letter in Form No. PAS- 4 to the proposed allottee's and recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the proposed allottee's inviting them to subscribe to the Equity Shares as per provisions of the Companies Act, 2013, as per the draft as available for inspection at the registered office of the Company and duly initialled by the Chairman for the purpose of identification and consent of the members of the Company is hereby accorded to the issuance of the same to the proposed allottee's inviting them to subscribe to the Equity Shares and to the issue and allotment of aforesaid equity shares and listing and trading of the equity shares to be allotted on preferential allotment basis with the stock exchange as appropriate and make application to applicable depository i.e. CDSL/ NSDL for Credit of equity shares of this preferential issue and Pre & Post lock in of pre and post equity shares of the said preferential issue and allotment and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, including without limitation, issuing clarifications on the offer, making any application etc., to the concerned regulatory authorities, including to the FIPB, issue and allotment of the equity shares, to execute necessary documents and enter into contracts, arrangements, other documents (including for appointment of agencies, intermediaries and advisors for the issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit , without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings and applications etc., with the stock exchange and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental and regulatory authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

FOR AND ON BEHALF OF THE BOARD

Date : 26-08-2021
Place : Vadodara

Gauri Bapat
Company Secretary

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

4. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.polymechplast.com

5. For receiving all communication (including Annual Report) from the Company electronically:

   a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at gauriybapad@polymechplast.com or to pmldjs@polymechplast.com

   b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

6. Corporate Members intending to send their authorised representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2021 to 25th September, 2021 (both days inclusive).

8. Subject to provisions of the Act, dividend as recommended by the Board, if declared at the meeting will be paid within a period of 30 days from the date of declaration to those members whose names appear on the Register of Members on 18th September, 2021. (17th September 2021 EOD)

9. Members wishing to claim dividends that remains unclaimed are requested to correspond with Registrar and Share transfer agents as mentioned above, or to the Company Secretary at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per Section 124 of the Act, be transferred to the Investor Education and protection Fund (IEPF). Moreover Shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

10. Members are requested to notify immediately any change in their address to MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent of the Company.

11. Members desirous of getting any information about the accounts of the Company are requested to write to the Company at least seven working days prior to the date of AGM so that information can be kept ready at the meeting.

12. E-Voting:

Pursuant to Section 108 of the Companies Act, 2013 ('the Act') and rules framed thereunder read with Regulation 44of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the Company is pleased to provide E-voting facility through Central Depository Services (India) Limited ('CDSL') as an alternative, for all members of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 34thAnnual General Meeting of the Company scheduled to be held on 25th September, 2021 ('the AGM Notice'). The Company has appointed CS Mr. Devesh A. Pathak, of M/s Devesh Pathak & Associates, Practising Company Secretaries as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 18thSeptember, 2021. The e-voting will commence on 22ndSeptember, 2021 at 9.00 a.m. and will end on 24th September, 2021 at 5.00 p.m. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FORE-VOTING

A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):

i. The voting period begins on 22ndSeptember, 2021 at 9:00 a.m. and ends on 24th September, 2021 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 18th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date, would not be entitled to vote at the meeting.

iii. The shareholders should log on to the e-voting website www.evotingindia.com.

iv. Click on Shareholders.

v. Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

EVOTING INSTRUCTIONS

PAN	For members holding shares in Demat Formand Physical Form Enter your 10 digit alpha-numeric PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the serial number printed in address slip. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Date of Birth as registered with the DP/RTO in dd/mm/yyyy format or Enter the Dividend Bank Detail as recorded with your DP/RTA. • In respect of Physical shareholdings and whose DOB and Dividend Bank details are not registered with DP/RTA should enter member ID/Folio number in the dividend Bank details filed as mentioned in instruction (iv).

ix. After entering these details appropriately, click on "SUBMIT" tab

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on 210827033 **(**EVSN) for the relevant Polymechplast Machines Ltd. on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed tohelpdesk.evoting@cdslindia.com. and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

A. In case of members receiving the physical copy:

(A) Please follow all steps from sr. no. (i) to sr. no. (xviii) above to cast vote.

(B) The voting period will begin on 22nd September, 2021 at 9:00 a.m. and will end on 24th September, 2021 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the 'Frequently Asked

Questions' ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com C.Other Instructions:

i. The e-voting period will commence on 22nd September, 2021 and will end on 24th September, 2021. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 18th September, 2021 may cast their vote electronically, The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 18th September, 2021.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(I) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking thee-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

I. CS Mr. Devesh A Pathak, (Membership No. FCS 4559), of M/s. Devesh Pathak & Associates, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

ii. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot at the meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

iii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.polymechplast.com and on the website of CDSL www.evoting.cdsl.com within two days of the passing of the resolutions at the 34th AGM of the Company and communication to the stock exchanges, where the shares of the Company are listed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors, in terms of the recommendation of Nomination and Remuneration Committee approved the appointment of Mr. M R Bhuva as a Managing Director at its meeting held on 29th May, 2021 w.e.f 1st June, 2021 for the period of three years.

The brief resume of Mr. M R Bhuva together with other details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with clause 1.2.5 of Secretarial Stand-2 are provided in the Annexure to this notice. In the opinion of the Board, hefulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Managing Director of the Company. The copy of the draft agreement for his appointment would be available for inspection by the members at the Registered Office of the

Company during normal business hours on any working day, excluding Saturdays, Sundays and Public Holidays upto 25th September, 2021.

The Board considered that his valuable contributions would be of immense benefit to the Company and on account of resignation of Mr. K. R.Bhuva, it is desirable to avail his services as a Managing Director. Accordingly, the Board recommends the resolutions in respect of approval to his appointment as a Managing Director by way of Special Resolution and your approval is solicited. The Company has received the proposal for appointment as a Director as per applicable rules and regulations.

None of the other Directors/Key Managerial Personnel(s) and their relatives, except Mr.M R Bhuva shall be deemed to be interested or concerned financially or otherwise in his resolution.

Item no 5

By keeping in view responsibilities shouldered as well as valuable contributions made by Mr. H. P. Bhuva, Executive Director in the progress of the Company, your Directors as well as Nomination and Remuneration Committee recommended revision in his remuneration with effect from 1stJune, 2021 for his residual period upto 30thSeptember, 2022 as detailed below:

Part –A Remuneration

PARTICULARS	M. R. BHUVA	H. P.BHUVA
Monthly Salary	Rs. 3,00,000 p.m.	Rs. 3,00,000 p.m.

Part –B Allowances & perquisites

House rent allowance	Rs. 16,500 p.m.	Rs. 16,500 p.m.
Leave Travel Concession (once in a year)	10% of basic salary p.a	10% of basic salary p.a
Conveyance	Rs. 800 p.m	Rs. 800 p.m
Medical Reimbursement	Maximum of Rs. 1,250 p.m (for self and family)	Maximum of Rs. 1,250 p.m (for self and family)

Part –C Retiral Benefits

Leave and Leave Encashment	They will be entitled to leave encashment at the end of his tenure as per the Company's policy.
Contribution to P.F, Superannuation & Grautuity.	Contribution to provident fund, superannuation and Annuity to the extent either singly or put together are not taxable under the Income Tax Act; Gratuity payable should not exceed half a month's salary for each completed year of service. However any contribution in excess of above limit shall be added to his remuneration.

Part - D

Other allowances	Car facility provided by the Company for personal use and car maintenance up to Rs. 3000/- p.m
	Telephone, internet including Mobile phone at residence will be considered as perquisites
	Electricity Bill of residence will be considered as perquisites

Your Directors seek your approval to the resolutions as set out in item 4 and 5 of the accompanying notice as Special Resolution.

Statement in compliance with Clause no. iv of sub paragraph B, Section II, of part II of Schedule V of the Companies Act, 2013

GENERAL INFORMATION

1.	Nature of Industry	:	Plastic Processing Machines
2.	Date or expected date of Commencement of commercial Production Company	:	Already Commenced
3.	In case of new Companies, Expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N. A.
4.	Financial performance based on Given indicator		
	(a) Net Profit	:	Rs.123.68 lacs
	(b) Effective Capital	:	Rs. 1086.31 lacs
	(c) Total Income	:	Rs. 1506.64 lacs
5.	Foreign investments or Collaborations, if any	:	N.A.

INFORMATION ABOUT THE APPOINTEES:

Name of Directors	Mr. M. R. Bhuva	Mr. H. P. Bhuva
1.Background details	Exposure of around 30 years	Exposure of around 30 years
2.Past remuneration	Rs. 2,00,000 p.m plus perquisites	Rs. 2,00,000 p.m plus perquisites
3.Recognition or awards	N.A.	N.A.
4. Job profile and his sustainability	1. Managing Director 2. Suitable in view of his contribution	1. Executive Director 2. Suitable in view of his contribution
5. Remuneration proposed	Rs. 3,00,000 p.m. plus perquisites as detailed in explanatory statement	Rs. 3,00,000 p.m. plus perquisites as detailed in explanatory statement
6.Comparative remuneration	Not Available	Not Available
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Not related	Not related

DISCLOSURES:

The following disclosures shall be mentioned in the board of director's report under the heading “Corporate Governance”, if any, attached to the financial statement:

1. All elements of remuneration package	As detailed in the explanatory statement
2. details of fixed component and performance linked incentives along with the performance criteria.	As detailed in the explanatory statement
3. Service contracts, notice period, severance fees	(I) service contracts for 3 years (ii) Notice period: 3 months (iii No severance fees
4. Stock option details, if any	N.A.

ANNEXURE

INFORMATION ABOUT THE APPOINTEE
Pursuant to clause 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of secretarial standards-2

Name of Directors	**Mr. H. P. Bhuva**	**Mr. M. R. Bhuva**
NO. of Board Meeting Attended	8	8
(A)DIN: Date of Birth Date of Appointment Experience (Yrs.)	00054580 01/06/1964 01/10/1998 29 years	00054562 22/07/1963 01/10/1998 30 Years
(b) Expertise in specific functional areas	Industrialist	Industrialist
Qualification	Diploma in Pharmaceuticals	Diploma in Pharmaceuticals
Directorship held in other Companies	Pramukh Medical devices Pvt Ltd	Pramukh Medical devices Pvt Ltd
Membership Chairmanship held in Board Committees of other Companies	Pramukh Medical devices Pvt Ltd	None
No. of Equity Shares held in the Company	377650	648742
(C)Disclosure of Relationship interest	Not related	Not related
Terms and conditions of appointment or reappointment	Reappointment as an Executive Director for a Period of 3 years w.e.f. 01.10.2019	Appointment as a Managing Director w.e.f. 1st June, 2021 for the period of three yeas
Details of remuneration to be paid	As per Explanatory Statement	As per Explanatory Statement
Details of last remuneration drawn	Rs. 3,00,000 P.m. plus perquisites	Rs. 3,00,000 P.m. plus perquisites

Item No. 6.

The Board of Directors in its meeting held on Thursday, 26 August 2021 approved preferential issue of upto 8,20,010 Equity Shares in one or more tranches having face value of Rs. 10/- (Rupees Ten Only) each, at an issue price of Rs. 61/- (Rupees Sixty One Only) including premium of Rs. 51/- (Rupees Fifty One Only) aggregating to Rs. 5,00,20,610/- (Rupees Five Crores Twenty Thousand Six Hundred and TenOnly). The proceeds of the issue shall be utilized mainly to finance enhancing existing production capacity, augmenting working Capital, supporting the future business plans and other general Corporate purposes of the Company. As per Section 62(1)(c) of the Companies Act, 2013 (as amended) read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and SEBI Regulations, as may be applicable, a listed issuer is permitted to make a preferential issue of specified securities, if a special resolution has been passed by its members Accordingly, the approval of the members of the Company is being sought, by way of a special resolution, to create, offer, issue (including reissue out of forfeited shares) and allot, Equity Shares, by way of preferential allotment to the Proposed Allottee's.

Aforesaid 8,20,010 Equity shares are proposed to be reissued out of the 9,89,800 forfeited shares in compliance with Regulation 41 (1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with approval of shareholders.

The Information pertaining to the proposed preferential issue and allotment in terms of the Chapter V of SEBI (ICDR) Regulations, 2018 and subsequent amendments there to is as stated below. As per Section 42 and 62 and other applicable provisions if any of the Companies Act, 2013, the companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, consent of the shareholders is sought for issuing the equity shares as stated in the resolution on a preferential basis.

(I) Particulars of the offer including date of passing of Board resolution, kind of Securities offered:
The Board of Directors of the Company at its meeting held on Thursday, 26 August 2021 had, subject to the approval of the members of the Company **("Members")** and such other approvals as may be required, approved the issue of upto 820010 equity shares to Proposed allottees, a Non- Promoter Category, on a preferential basis, for cash consideration.

(II) Objects of the preferential issue:
The object of the proposed preferential issue is mainly to finance enhancing existing production capacity, augmenting working Capital, supporting the future business plans and other general Corporate purposes of the Company

(III) Maximum number of specified securities to be issued:
The Company is proposing to issue and allot upto 8,20,010equity shares to the proposed allottee's in terms of the Chapter V of SEBI (ICDR) Regulations, 2018.

(IV) Amount which the Company intends to raise by way of issue of equity shares:
The company proposes to raise Rs. 5,00,20,610/- from the present preferential issue of equity shares.

(V) Intent of the promoters, directors or key managerial personnel of the issuer and proposed allottee to subscribe to the offer;
The proposed allottee's would fall under the Non- Promoter category as mentioned. The said allottee's propose to subscribe for 8,20,010shares. The requirement of issue of shares on preferential basis is necessitated to fulfill the objects as mentioned in point No. (II).

None of the Directors, promoter or Key Managerial Personnel of the Company intends to subscribe to any shares pursuant to this preferential issue of Equity Shares.

(VI) Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, and the percentage of pre and post preferential issue capital that may be held by them;

Pre and post issue shareholding of the proposed preferential allottee and Ultimate beneficial owner of the shares is mentioned in the below furnished table.

Name and PAN of proposed preferential allottees	**Category**	**Pre-issue Shareholding**	**Equity Shares proposed to be allottee's**	**Post issue Shareholding**		**Name, PAN & Address of Ultimate Beneficial Owners**
				Post Issue	**%**	
Name: Vivan Patel **PAN:** AAAPP3648M	Non-Promoter	Nil	81,970	81,970	1.4633%	Same as an allottee being a natural person
Name: Reshma Patel **PAN:** AAFPP5313C	Non-Promoter	Nil	1,06,560	1,11,981	1.9023%	Same as an allottee being a natural person

Name: Suresh Hirabhai Patel HUF **PAN:** AAAHS1050E	Non-Promoter	Nil	1,06,560	1,06,560	1.9991%	**Name:** Vivan Patel (Karta of Suresh Patel HUF) **PAN:** AAAPP3648M **Address:** 68 Alkapuri Society, Alkapuri, Vadodara 390 007, Gujarat, India.
Name: Yesha Electricals Private Limited **PAN:** AAACY0661L	Non-Promoter	Nil	5,24,920	5,24,920	9.3707%	**Name :** Vivan Patel **PAN:** AAAPP3648M **Address:** 68 Alkapuri Society, Alkapuri, Vadodara 390 007, Gujarat, India. **Name:** Joyti Patel **PAN:** AAAPP3647E **Address:** 68 Alkapuri Society, Alkapuri, Vadodara 390 007, Gujarat, India. **Name:** Vanessa Patel **PAN:** AAMPP7206R **Address:** 68 Alkapuri Society, Alkapuri, Vadodara 390 007, Gujarat, India.
TOTAL		**5,421**	**8,20,010**	**8,25,431**	**14.7353%**	

(vii) Shareholding pattern of the issuer before and after preferential issue:

The shareholding pattern of the company before and after preferential issue is as follows.

Sr. no	Category of Shareholders	Pre issue Shareholding details*		Post Issue Shareholding details**	
		No. of Shares	% of Shares	No. of Shares	% of Shares
(A)	**Promoter and Promoter Group**				
	(a) Indian	20,44,231	42.75%	20,44,231	36.49%
	(b) Foreign				
	Total Promoter and Promoter Group (A)	**20,44,231**	**42.75%**	**20,44,231**	**36.49%**
(B)	**Public Shareholding**				
I.	Institutions Investors				
	Financial Institutions/Banks, Mutual Funds, Foreign Portfolio Investors				
II.	Government Holding				
III.	(a) Non Institutions				
	(b) Individuals				
	(c) Body Corporate				
	(d) Any other (including HUF, Trusts, Clearing members, NRIs, etc)				

	Total Public Shareholding (B)	27,37,469	57.25%	35,57,479	63.51%
	Total (A+B)	**47,81,700**	**100.00**	**56,01,710**	**100.00**

Notes:

**Pre issue shareholding pattern has been prepared based on shareholding of the Company as on August 20, 2021.*

***Assuming the post issue holding of all the other shareholders will remain the same, as it was on the date, on which the Pre-issue shareholding pattern was prepared.*

(viii) Time frame within which the preferential issue shall be completed:

In terms of Regulation 170 of the SEBI ICDR Regulations, preferential issue and allotment of Equity Shares will be completed within a period of 15 (fifteen) days from the date of passing of special resolution at item no. [6] Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority which includes Stock Exchange In- principle approval also, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange or other concerned authorities.

(ix) Consequential Changes in the Voting Rights and Change in Management:

As a result of the proposed preferential issue of Equity Shares, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.

(x) Lock-in Period:

The Equity Shares allotted pursuant to this preferential issue shall be locked-in for such period as may be specified under Regulation 167 and 168 of the SEBI ICDR Regulations. The entire pre-preferential allotment shareholding of Suresh Hirabhai Patel HUF shall be locked-in from the relevant date up to a period of six months from the date of the trading approval as specified under Regulation 167(6) of the SEBI ICDR Regulations.

(xi) Issue Price and Relevant Date:

The Equity Shares of the Company are listed only on BSE Limited (“BSE”/ “Stock Exchange”). The Equity Shares of the Company are frequently traded on Stock Exchange in accordance with the SEBI ICDR Regulations.

In terms of the applicable provisions of the SEBI ICDR Regulations, the floor price at which the Equity Shares shall be allotted is Rs. 50.12/- (Rupees Fifty and Paise twelve Only), being higher of the following:

a) Average of the weekly high and low of the volume weighted average price of the Equity Shares of the Company quoted on BSE, during the twenty-six (26) weeks preceding the relevant date, i.e. Rs. 43.69/- (Rupees Forty three and paise sixty nine Only) per Equity Share; or

b) Average of the weekly high and low of the volume weighted average price of the Ordinary Shares of the Company quoted on BSE, during the two (2) weeks preceding the relevant date i.e. Rs. 50.12/- (Rupees Fifty and paise twelve Only) per Equity Share.

Equity shares are proposed to be issued at Rs. 61/- (Rupees Sixty One Only) per equity shares (which includes premium of Rs. 51/- (Rupees Fifty One Only) per share) as determined in accordance with the preferential issue guidelines given in SEBI (ICDR) Regulations which is not lower than floor price determined in the manner set out above which is based on the relevant date i.e., Thursday, August 26, 2021, which is thirty days prior to the date of this Annual General Meeting.

(xiii) Report of Registered Valuer:

No report of registered valuer is required for the offer, issue and allotment of the Equity Shares under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debenture) Rules, 2014, as amended.

The Company has voluntarily obtained a Certificate from the M/s. Snehal Shah & Associates, Chartered Accountant & Registered Valuer(ICAI Membership No.128640 and IBBI Regn. No: IBBI/RV/06/2019/11772 confirming the minimum price for the preferential issue as per Preferential Issue Regulations in chapter V of SEBI (ICDR) Regulations, 2018 and showing the calculation thereof and the same will be made available for inspection at the registered office of the Company on all working days from 10:00 A. M. to 5:00 P.M. upto the date of the meeting and also at the meeting.

(Xiii) Auditor's Certificate:

The certificate from CNK & Associates LLP., Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements of Chapter V of the SEBI ICDR Regulations shall be available for inspection at the registered office of the Company on all working days from 10:00 A. M. to 5:00 P.M. upto the date of the meetingand also at the meeting.

(xiv) Undertakings:

- None of the Company, its Directors or Promoters have been declared as willful defaulter as defined under the SEBI ICDR Regulations.
- None of its Directors or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- The Company is eligible to make the Preferential Allotment under Chapter V of the SEBI ICDR Regulations to proposed allottee's.
- As the Equity Shares have been listed for a period of more than twenty-six weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.

(xv) Compliances:

The Company has complied with the requirement of rule 19A of the Securities Contracts (Regulation) Rules, 1957, maintaining a minimum of 25% of the paid up capital in the hands of the public.

(xvi) Approval under the Companies Act:

Section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares/warrants, such shares/warrants shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 62(1) and all their provisions applicable, if any, of the Companies Act, 2013, SEBI Guidelines or regulations and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for authorizing the Board to offer, issue and allot warrants/equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and the others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

(xvii) Holding of shares in Demat form:

The entire shareholding of the proposed allottee's in the Company, if any, is held by him in dematerialized form. The proposed shareholders have Permanent Account Number.

(xviii) SEBI Takeover code:

In the present case none of the proposed allottee's would attract SEBI Takeover Code and therefore is not under obligation to give open offer to the public except making certain disclosures to Stock Exchange.

(xix) Approvals:

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

The Company is eligible to make the Preferential Allotment to its Non- Promoter under Chapter V of the SEBI ICDR Regulations.

The proposed allottee's or any **member of the Promoter group** have not sold or transferred any equity shares during the six months preceding the relevant date.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 42, 62 and other provisions, applicable, if any of the Companies Act, 2013, and Chapter VII of the ICDR Regulations, 2018.

The Board of Directors believes that the proposed preferential issue and allotment of Equity Shares is in the best interest of the Company and its members. The Board of Directors recommends the resolution as set out in item no. [6] of the notice for your approval. The Promoter(s) and promoter designate Director of the Company are interested in the resolution to the extent of their shareholding.

The Board of Directors of the Company recommends passing of the resolutions as set out at Item Nos. [6] as a special resolution.

FOR AND ON BEHALF OF THE BOARD

Date : 26-08-2021
Place : Vadodara

Gauri Bapat
Company Secretary

BOARD'S REPORT

To
The Members of
POLYMECHPLAST MACHINES LIMITED

Your Directors have pleasure in presenting the Board's Report of your Company together with the Financial Statements for the financial year ended 31st March, 2021.

1. FINANCIAL & OPERATIONAL RESULTS:

PARTICULARS	2020-21 (Rs. In Lakhs)	2019-20 (Rs. In Lakhs)
Profit/(Loss) before Depreciation, Exceptional Item and Tax	**411.20**	**266.8**
(Less) Depreciation and Amortisation expenses	(46.02)	(31.29)
Profit/(Loss) before Tax	**365.18**	**235.51**
Add/(Less)Tax expense		
(i)Current tax	(87.69)	(60.06)
(ii)Deferred tax	1.79	4.36
(less)Income tax adjustments relating to earlier year	(1.11)	(0.68)
Net Profit for the Year	**278.17**	**171.78**
(Less:) Share of Associates' loss	**(0.41)**	**-**
Net Profit after Tax and Share of Associate's Loss	**277.76**	**171.78**
Add: BALANCE BROUGHT FORWARD	853.14	729.32
(Less): Remeasurement of the Net Defined Benefit	(0.15)	(1.84)
(less) Dividend Paid	(38.25)	(46.12)
PROFIT CARRIED FORWARD TO BALANCE SHEET	1092.50	853.14

During the year under review, the Company earned total income of Rs. 6142.15lacs as against Rs. 4420.38lacs in the previous year.. recording growth of about 38.95%. The Company registered Net profit of Rs. 277.76/- as against Rs 171.78/- in the previous year exhibiting growth of about 61.70% which can be mainly attributed to Reduction in finance cost.

2. DIVIDEND

Your Directors are pleased to recommend dividend at the rate of 10% i.e. Rs. 1 per equity share for the year ended 31st March, 2021 subject to approval of shareholders.

3. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Neither the Company has any Subsidiary, Joint venture nor any other Company has become or ceased to be Subsidiary/Joint Venture Company of the Company during the year.

However,Pramukh Medical Devices Pvt. Ltd. has become Associate Company during the year consequent to Investment of the Company in M/s. Pramukh Medical Devices Pvt. ltd of 20,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2,00,000/- being 40% of the total paid up Equity Share capital of M/s. Pramukh Medical Devices Pvt. ltd.

4. TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed amount to be transferred to Investor Education & Protection Fund(IEPF) during the year under review pursuant to provisions of Section 125 of the Companies Act, 2013 ('the Act') and accordingly no amount is transferred to IEPF.

5. **EXPLANATION(S)/COMMENT(S) ON QUALIFICATION(S)/ RESERVATION(S)/ ADVERSE REMARK(S)/ DISCLAIMER BY STATUTORY AUDITOR/SECRETARIAL AUDITOR IN THEIR RESPECTIVE REPORT**

There are neither any qualification/ reservation/ adverse remark nor any disclaimer by Statutory Auditor or Secretarial Auditor in their draft report and accordingly no explanation/ comment is required.

6. **MATERIAL CHANGES AND COMMITMENTS**

No material change and commitment affecting the financial position of the Company have occurred between the period of end of financial year to which this financial statement relates and the date of this report and hence not reported.

7. **EXTRACT OF THE ANNUAL RETURN U/S 92(3) OF THE ACT AS PER FORM MGT-9**

The Company has placed its Annual Return on its website pursuant to Section 92(3) of the Act and is available on weblink www.polymechplast.com

8. **MEETING OF THE BOARD OF DIRECTORS DURING THE YEAR**

During the Financial Year 2020-21, Eight meetings of the Board of Directors of the Company were held.

9. **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, 2013, the Board of Directors of the Company confirms that

I. Your Directors have followed the applicable accounting standards along with proper explanation relating to material departure, if any, while preparing the annual accounts;

ii. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the Profit & Loss of the Company for the period;

iii. Your Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. Your Directors have prepared the annual accounts on a going concern basis.

v. Your Directors have laid down internal financial controls which are adequate & effectively operational.

vi. Your Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and effectively operational.

10. **AUDITORS**

a) **Statutory Auditors**

In accordance with the provisions of section 139 and other applicable provisions, if any of the Act and the relevant Rules framed thereunder, your Company has appointed M/s CNK & Associates, LLP Chartered Accountants, Vadodara as a Statutory Auditors of the Company to hold office up to the conclusion of 35th Annual General Meeting to be held in 2022.

b) **Secretarial Auditors and Report**

The Company has appointed M/s Devesh Pathak & Associates, Practising Company Secretaries as Secretarial Auditors. Their report is enclosed as per **Annexure-A.**

c) **Internal Audit and Report**

The Company has appointed M/s JHS & Associates, Chartered Accountants as Internal Auditors.

d) **Cost Audit and Report**

There is no requirement for Cost Audit as the Company does not fall in the criteria for the same.

11 **LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any guarantees or securities covered under the provisions of Section 186 of the Act.

However, the aggregate of loans and advances granted as also investments are within the limits of Section 186 of the Act.

12 **RELATED PARTY TRANSACTIONS**

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Act in the prescribed Form AOC-2, is enclosed as per **Annexure-B** forming part of this report.

13 **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

(A) **CONSERVATION OF ENERGY:**

(i) the steps taken or impact on conservation of energy;

– Installation of Solar Photo Voltic systemearlier, helps in conservation of energy.

(ii) the steps taken by the Company for utilizing alternate sources of energy;

– Installation of Solar Photo Voltic system earlier, helps in using alternative source of energy i.e. Solar Power

(B) **TECHNOLOGY ABSORPTION:**

Since the Company has not imported technology, the Company has no information to offer in respect of Technology absorption.

(C) **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, actual inflow and actual outflow of foreign exchange was Rs. 86,72,751/- and Rs. 1,73,64,493/- respectively.

14 **RISKMANAGEMENT**

Risk Management Policy is in place.

15 **DIRECTORS AND KMP**

Mr. K R,Bhuva resigned from the Board including as a Chairman and Managing Directoron 11th February, 2021 due to pre occupation. The Board of Directors placed on record of it's appreciation for valuable services rendered by Mr. K. R. Bhuva as a Founder Director of the Company and subsequentlyas a Chairman & Managing Director

Mr. M R Bhuva, was appointed as a Chairman and Managing Director of the Company w.e.f. 1st June, 2021 subject to approval of shareholders.

Mr. M R Bhuva, retires by rotation as a Director at the ensuing Annual General Meeting and being eligible offers himself for re election as a Retiring Director.

16 **DEPOSITS:**

The Company has neither accepted nor renewed any deposit within the meaning of the Companies (Acceptance of Deposits) Rules, 2014.

17 **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not fall in any of the criteria of Section 135(1) of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence the Company is not required to comply with the same.

18 **MEDIAN EMPLOYEE DETAILS**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available to any member on request.

19 **PARTICULARS OF EMPLOYEES**

There was no employee drawing remuneration of Rs 1,02,00,000 or more per annum or Rs. 8,50,000 per month for any part of the year or more and hence no particulars have been furnished as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

20. **ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment& Remuneration Committees.

21. **CORPORATE GOVERNANCE REPORT**

In view of paid up capital and Net Worth of the Company being lesser than Rs. 10 Crores and Rs. 25 Crores respectively, Corporate Governance Report as prescribed in Clause C of schedule V to LODR is not required and accordingly included in the Annual Report in terms of Regulations 15(2) of LODR.

22. **INDEPENDENT DIRECTORS**

(A) Statement on Declaration given by Independent Directors under Section 149(6) of the Act.

The Board of Directors of the Company hereby declares that all the Independent directors duly appointed by the Company have given the declaration and that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

(B) A statement with respect to integrity, expertise and expenses of Independent Directors

Your Directors are the opinion that the Independent Directors are of high integrity and suitable expertise as well as experience (including proficiency)

23. **NOMINATION AND REMUNERATION COMMITTEE**

The Company has duly constituted Nomination & Remuneration committee pursuant to section 178(1) of the Act and accordingly formulated the policy on Directors' Appointment and Remuneration.

24. **REMUNERATION POLICY**

Pursuant to provisions of the Act, the Nomination and Remuneration Committee (NRC) of your Board has formulated a Remuneration Policy for the appointment and determination of remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees. The NRC has developed criteria for determining the qualification, positive attributes and independence of Directors and for making payments to Executive and Non-Executive Directors. The remuneration policy of the Company can also be seen at the website of the Company i.e.

25. **CODE OF CONDUCT**

The Company has suitably laid down the code of conduct for all Board members and senior management personnel of the Company. The declaration by Managing Director and CFO of the Company relating to the compliance of the aforesaid code of conduct forms an integral part of this annual report.

26. **VIGIL MECHANISM**

In accordance with Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22(1) of LODR, the Company has formulated the Vigil Mechanism for Directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee.

27. **NO SIGNIFICANT OR MATERIAL ORDER**

No significant or material order was passed by any regulator, court or tribunal impacting the going concern status or Company's operations in future during the year under review.

28. **REPORTING OF FRAUDS**

There has been no instances of fraud reported by the Statutory Auditors under section 143(12) of the Act and Rules framed there under either to the Company or to the Central Government.

29. **TRANSFER TO GENERAL RESERVE**

The Company is not required to transfer any amount to its reserves. Hence, no amount is transferred to reserves during the year under review.

30. **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business during the year under review.

31. **DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The summary of sexual harassment complaints received and disposed off during the financial year under review is as under:

- Number of Complaints Received NIL
- Number of Complaints Disposed off NIL

32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis Report as stipulated under Para B of Schedule V of LODR is attached to this Report as per Annexure.

33. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Audit Committee of the Board of Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

34. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Directors state that the Company has been Compliant of applicable Secretarial Standards during the year under review.

35. DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

The physical and financial performance of the Company for the year 2020-21 was affected because of COVID-19 pandemic. Due to the nationwide Lockdown, production slowed down initially but later it improved.

Impact of COVID- 19 on Business:

During the lockdown period the manufacturing facilities were shut down completely. The lockdown has caused significant loss of production and sales during the financial year. The Company had resumed operations after respective Government approvals. During the period, the Company continued to honor all its financial obligations towards its Vendors, Statutory dues and its Employees.

36. ACKNOWLEDGEMENT

Your Directors take opportunity to express their gratitude to government, bankers, suppliers, customers advisers, employees and shareholders for their valuable support and co-operation,

FOR AND ON BEHALF OF THE BOARD

Date : 29/05/2021
Place: Vadodara

M. R. Bhuva
Chairman & Managing Director

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

POLYMECHPLAST MACHINES LIMITED.

GOLD COIN HOUSE

776, GIDC, Makarpura

Vadodara, Gujarat-390010.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the POLYMECHPLAST MACHINES LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.]

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;[Presently : The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.]

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently: The Securities and Exchange Board of India(Buyback of Securities) Regulation, 2018

(vi) Having regard to the products and processes of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, we further report that the Company has complied with the following laws applicable specifically to the Company:

   (a) The Factories Act, 1948

   (b) The Payment Of Wages Act, 1936

   (c) The Minimum Wages Act, 1948

   (d) The Employees State Insurance Act, 1948

   (e) The Employees' Provident Fund And Miscellaneous Provisions Act, 1952

   (f) The Payment Of Bonus Act, 1965

   (g) The Payment Of Gratuity Act, 1972

(h) The Contract Labour (Regulation And Abolition) Act, 197

(I) The Apprentices Act, 1961

(j) The Gujarat Labour Welfare Fund Act,1953

(k) The Gujarat State Tax on Professions, trades, Callings and Employments Act,1976

(l) Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR')]

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report (by way of information) that during the audit period, the Company has:

(a) not issued any securities during the period under review and accordingly

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

were not applicable during the audit period under review.

(b) not issued any stock options to the employees and accordingly The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 were not applicable.

(c) neither got delisted Equity Shares nor bought back any security of the Company and accordingly

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

were not applicable during the audit period.

(d) Corporate Governance provisions as specified in LODR were not applicable during the period under review to the Company in terms of Regulation 15(2) (a) of LODR as the Paid-up Equity Capital and Net Worth of the Company as at 31st March, 2020 did not exceed Rs. 10 Crores and Rs. 25 Crores, respectively.

(e) Mr. K. R. Bhuva resigned from the Board of Directors of the Company on 11th February, 2021. The Board placed on record its appreciation for valuable services rendered by him as a Founder Directors and subsequently as a chairman and Managing Director of the Company.

(f) Subsequently Mr. M. R. Bhuva is appointed as a chairman and Managing Director of the Company with effect from 1st June, 2021.Mr. M. R. Bhuva, Mr. H. P. Bhuva and their family members acquired 7,18,561 Equity Shares of Rs. 10/- each of the Company (15.03% of total paid up capital) from Mr. K R. Bhuva and his family members by way of inter-se transfer of shares amongst Promoter Group, falling under the exemption category pursuant to Regulation 10(1)(a)(ii) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by virtue of being persons named as promoters in the shareholding pattern filed by the target company for not less than three years prior to the proposed acquisition.

Accordingly, there was no change in the aggregate holding of Promoters and Promoters' group before and after the aforesaid inter se transfer .

For Devesh Pathak & Associates
Practising Company Secretaries

CS Devesh A. Pathak
CS Devesh A. PathakSole proprietor
FCS No: 4559
COP No. 2306
UDIN: F004559C000392067

Date: 29th May, 2021
Place: Vadodara

ANNEXURE - B TO THE BOARD'S REPORT

To,
The Members,
POLYMECHPLAST MACHINES LIMITED
776 GIDC Industrial Estate, Makarpura,
Baroda – 390 010

Ref: Secretarial Audit Report dated 29th May, 2021 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. In view of COVID-19 advisories, we have not been able to verify the books, papers, minute books, forms and returns filed and other records maintained by the Company in physical form at its Registered Office. Accordingly, we have only examined the electronically available soft copies of the minutes, forms and returns filed and other records provided by the Company for the financial year ended on 31st March, 2021.
3. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Devesh Pathak & Associates
Practising Company Secretaries

Date: 29th May, 2021
Place: Vadodara

CS Devesh A. Pathak
FCS No.4559
CP No.: 2306

ANNEXURE –C TO THE BOARD'S REPORT

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2021 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

SI No.	Particulars	Details	
a.	Name(s) of the related party & nature of relationship	Plastomech Equipments Pvt. Ltd.	Pramukh Medical Devices Pvt Ltd
b.	Nature of contracts/arrangements /transaction	Sales Purchase	Investment in associates Rent expense Sales of goods
c.	Duration of the contracts/ arrangements /transactions	N.A.	N.A.
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	Sales Rs. Nil Purchase Rs. 16,53,750/-	Investment in associates 2.00 lakhs Rent expense 0.20 lakhs Purchase of goods 0.99 lakhs
e.	Date of approval by the Board	29/05/2015	11/02/2021
f.	Amount paid as advances, if any	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Outbreak of COVID-19 made growth environment challenging in first half of FY 2020-21 but liquidity measures announced by the government helped providing support. Domestic data usage and use of digital platforms continue to gain traction in India The extra-ordinary circumstances unfolding in 2020 has underscored the need for strong data networks.

Supply Chain : Due to nationwide lockdown the supply chain was disrupted in the months of March, April and May 2020. There was no transportation facility available during lockdown. Hence, the supply of raw material, finished products were lying at the factory.

But as the transportation facility restored situations returned to new normal.

Demand for its products/ services :

There some loss of demand of goods in the market as the Company manufactures capital good items. However, it isexpected that the demand of goods would gear up within 3-4 months which would help achieving targets.

OPPORTUNITIES

As against per capita consumption of 28 kg in the world, per capita consumption of plastic in India is 11 kg only. Thus India has big potential to grow. Slowly, but steadily plastic consumption is increasing in India. Your Company is presently manufacturing plastic processing machinery up to 450T capacity and the Company has developed 650T machine and successfully launched last year. Higher capacity machines have better margin and marketing prospects. It would add to the goodwill of the Company also.

THREATS

Globally and domestically, plastic processing machineries industry is prone to cut throat competition. China poses competition to the Indian Plastic Processing Machineries Industry with lower cost and good quality. Overseas countries like Taiwan, Korea and other European countries equipped with latest technology pose the competition on quality front with variety of features.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company has been operating mainly in the one segment of plastic processing machines engaged in manufacturing and trading.

OUT LOOK

Over 30,000 plastic processing units, 85.90% of them being small and medium sized enterprises, employ about 4million people. Govt. of India also encourages the industry as it helps in generation of employment. Your Company is also poised for constant upgradation in the quality of its products in order to offer the quality products at par with international standard.

RISK & CONCERNS

Weakening rupee against dollar and volatility in the cost of raw materials have made imports costlier. Increasing cost also blocks export in view of availability of products in the overseas market at competitive prices. Ban on using plastic in some states as well as natural calamities like bad monsoon are also risk factor on which the Company has no control. It would also exert pressure on margin.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of Internal Control and checks supported and monitored by well developed Management Information System to ensure and every business transaction is carried out effectively and efficiently as per laid down procedure and appropriately delegated authority.

The Company also has a system of Annual Business Plan including budget and significant variation for the annual plan and budget are reported on quarterly basis to the Board through the Audit Committee.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, total income of Rs 6142.15lacs as against Rs 4420.38lacs in the previous year exhibits growth of about 38.95%. Net profit of Rs 277.76 /- as against Rs 171.78 in the previous year has grown by about 61.70% which can be mainly attributed to reduction in finance cost.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company has been organizing various seminar & workshop on Personality development for increasing productive efficiency of the workers. These seminars have helped the employees of the Company in achieving the higher efficiency leading to achievement of organizational goals of the Company as a whole. It has also created an environment of proximity and mutual understanding among the employees in the Company apart from morale boosting. Resultantly, industrial relations remained cordial throughout the year. The Company had 122 employees including apprentice during the period under review.

KEY FINANCIAL RATIOS

Sr. No	Particulars	March 31, 2021	March 31, 2020
1	Debtors Turnover Ratio	39.97	19.24
2	Inventory Turnover Ratio	3.95	2.74
3	Current Ratio	1.0	1.06
4	Long Term Debt Equity Ratio	0.33	0.46
5	Return on Net Worth	17.14	12.44
6	Operating Profit (EBITDA)%	7.74	6.99
7	Interest Coverage Ratio	13.04	6.89

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
POLYMECHPLAST MACHINES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Polymechplast Machines Limited("the Company"), which comprise the Balance Sheet as at 31stMarch, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalonefinancial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules 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 opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the Standalone Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for preparation the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these 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 the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over standalone financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 39to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv.

i. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

iv. The company has complied with Section 123 of the Companies Act, 2013 in respect with dividend declared or paid during the year by the Company.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Alok Shah
Partner
Membership No.042005
Place: Vadodara
Date: 29th May, 2021
UDIN: 21042005AAAAGZ1100

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2021.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

1(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
1(b)	As informed to us, the Company has the policy and programme of physical verification of its fixed assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
1(c)	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property plant and equipment in thestandalone financial statements, the lease agreements are in the name of the Company;
2	As per the information and explanations given to us, the inventories held by the company have been physically verified by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;
2(a)	In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of accounts;
3	According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Act. Hence, clause 3(a), 3(b) and 3(c) are not applicable for the year;
4	In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities have been complied with;
5	The Company has not accepted any deposits within the meaning of sec 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provisions of this clause of the Order are not applicable;
6	We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
7(a)	According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax (GST), service tax, custom duty, excise-duty, value added tax (VAT), cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31stMarch 2020, for a period of more than six months from the date they became payable;
7(b)	According to the information and explanation given to us, there are no disputed statutory dues payable in respect of provident fund, employees' state insurance, income tax, sales tax, goods and service tax (GST) , custom duty, excise duty, service tax, value added tax (VAT) cess or any other statutory dues with the appropriate authorities to the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, except following:

Name of Stature	Nature of Dues	Amount (₹ In lakhs)	Forum where dispute
Code of Civil procedure & Companies Act, 1956	Under Writter Commission	0.86	Civil Court – Mumbai
The West Bengal Value Added Tax' department	Penalty	4.56	The West Bengal Taxation Tribunal Act, 1987
*Net of amount paid under protest			

8	In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial Institution or Bank and there are no dues to debenture holders during the year;
9	According to the information and explanations given to us, no moneys during the year were raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which the loans were obtained;
10	During the course of our examination of the books of account and records of the company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management;
11	According to the information and explanations given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act;
12	In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, this clause of the Order is not applicable;
13	According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
14	According to the information and explanations given to us and based on our examination of the records of the Company , the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under this clause is not applicable to the Company;
15	According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act;
16	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For C N K & Associates LLP
Chartered Accountants
FRN: 101961W/W-100036

Alok Shah
Partner
Membership Number: 42005
Place: Vadodara
Date: 29th May, 2021
UDIN: 21042005AAAAGZ1100

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Polymechplast Machines Limited**(“the Company”) as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to standalone financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements of the company and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31st March,2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Alok Shah
Partner
Membership No.042005
Place: Vadodara
Date: 29th May, 2021
UDIN: 21042005AAAAGZ1100

CIN No. L27310GJ1987PLC009517

Standalone Balance sheet As at 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	Note No.	As on 31st March, 2021	As on 31st March, 2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4	1,361.22	649.47
	(b) Capital work-in-progress	5	22.88	506.34
	(c) Financial Assets			
	(i) Investments	6	2.00	0.00
	(ii) Loans	7	26.86	29.20
	(iii) Other financial assets	8	243.63	210.16
	(d) Deferred tax assets (Net)	9	3.63	1.79
	(e) Other Non Current Assets	10	36.64	11.14
(2)	**Current assets**			
	(a) Inventories	11	1,111.68	1,130.84
	(b) Financial Assets			
	(i) Trade receivables	12	147.51	157.15
	(ii) Cash and cash equivalents	13	318.09	91.12
	(iii) Bank balances other than (ii) above	14	256.74	61.22
	(iv) Loans	15	0.20	0.76
	(v) Other financial assets	16	0.12	-
	(c) Other current assets	17	149.35	188.52
	(d) Current Tax Asset (Net)	18	15.44	9.64
	Total Assets		**3,695.99**	**3,047.35**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	19	478.17	478.17
	(b) Other Equity	20	1,142.40	902.63
	Total equity attributable to equity holders of the Company		**1,620.57**	**1,380.80**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	21	49.41	108.00
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22	434.76	492.04
	(ii) Trade payables			
	(A)Total outstanding dues of micro enterprises and small enterprise	23	203.15	105.12
	(B)Total Outstanding dues of creditors other than micro enterprise and small enterprises	23	442.62	340.31
	(iii) Other financial liabilities	24	87.94	64.07
	(b) Other current liabilities	25	798.28	495.19
	(c) Provisions	26	59.27	61.82
	Total Liabilities		**2,075.43**	**1,666.55**
	Total Equity and Liabilities		**3,695.99**	**3,047.35**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors

FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

CIN No. L27310GJ1987PLC009517

Standalone Statement of Profit and Loss For the year ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I	Revenue from operations	27	6,089.35	4,391.12
II	Other income	28	52.79	29.26
III	**Total Income (I + II)**		**6,142.15**	**4,420.38**
IV	**EXPENSES**			
	Cost of materials consumed	29	4,292.74	3,138.01
	Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	30	136.68	(95.95)
	Employee benefits expenses	31	536.90	503.23
	Finance costs	32	32.76	45.30
	Depreciation and amortization expense	4	46.02	31.29
	Other expenses	33	731.86	563.00
	Total expenses (IV)		**5,776.96**	**4,184.88**
V	**Profit before tax (III-IV)**		**365.18**	**235.51**
VI	**Tax Expense:**	34		
	(1) Current tax		87.69	60.06
	(2) Deferred tax		(1.79)	4.36
	(3) Income tax adjustments relating to earlier year		1.11	(0.68)
			87.01	**63.73**
VII	**Profit after tax (V-VI)**		**278.17**	**171.78**
VIII	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(0.20)	(2.46)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		0.05	0.62
	Total other comprehensive income (A (i - ii))		**(0.15)**	**(1.84)**
IX	**Total comprehensive income for the period (VII + VIII)**		**278.02**	**169.94**
X	Earnings per equity share (for continuing operation):			
	(1) Basic	35	5.82	3.59
	(2) Diluted	35	5.82	3.59

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors

FOR POLYMECHPLAST MACHINES LTD.

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Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

CIN No. L27310GJ1987PLC009517

Standalone Statement Of Changes In equity For The Year Ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

a. Statement of Changes in Equity:

Balance as at the 1st April 2019	**478.17**
Changes in equity share capital during the year	-
Balance as at the 31st March 2020	**478.17**
Changes in equity share capital during the year	-
Balance as at the 31st March 2021	**478.17**

b. Other Equity

Particulars	Capital Reserve	Retained Earnings	Total Equity
As at 1st April, 2019	49.49	729.32	778.81
Profit for the year	-	171.78	171.78
Amount transferred during the year	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	(1.84)	(1.84)
Dividend on Equity shares including tax thereon	-	(46.12)	(46.12)
As at 31st March, 2020	**49.49**	**853.14**	**902.63**
As at 1st April, 2019	49.49	853.14	902.63
Profit for the year	-	278.17	278.17
Amount transferred during the year	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	(0.15)	(0.15)
Dividend on Equity shares including tax thereon	-	(38.25)	(38.25)
As at 31st March, 2021	**49.49**	**1,092.91**	**1,142.40**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
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Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

CIN No. L27310GJ1987PLC009517

Standalone Statement of Cash Flows for the year ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
A	**Cash flow from operating activities**		
	Profit before income tax	365.18	**235.51**
	Adjustments for :		
	Depreciation and amortization expense	46.02	31.29
	Interest Income	(19.16)	(16.86)
	Finance Cost	32.76	45.30
	Bad debts and balances written off	22.26	-
	Allowance for doubtful debts (Expected Credit Loss Allowance)	(14.91)	3.32
	(Gain) / Loss on disposal of Property, Plant and Equipment	(0.64)	-
	Operating profit before working capital changes	**431.52**	**298.56**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	2.29	138.91
	(Increase) / Decrease in inventories	19.17	(40.01)
	(Increase) / Decrease in other financial assets	2.90	(0.12)
	(Increase) / Decrease in other assets	37.89	(106.68)
	Increase / (Decrease) in trade payables	200.34	(91.57)
	Increase /(Decrease) in other payables	300.34	120.92
	Increase / (Decrease) in other financial liabilities	10.03	6.67
	Cash generated from operations :	**1,004.48**	**326.68**
	Direct taxes paid (net)	(94.60)	(70.83)
	Net cash from operating activities (A)	**909.88**	**255.85**
B	**Cash flows from investing activities**		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(300.51)	(229.15)
	Proceeds from sale of Property plant and equipment	2.61	-
	Bank deposits not considered as cash and cash equivalent	(229.00)	(42.22)
	Interest received	19.05	16.86
	Investment in Associates	(2.00)	-
	Net cash (used) in Investing activities (B)	**(509.85)**	**(254.51)**
C	**Cash flow from financing activities :**		
	Receipt of long term borrowings	73.78	-
	(Repayment) of long term borrowings	(118.53)	(2.38)
	Receipt/(Repayment) of Short term borrowings	(57.28)	11.66
	Interest paid	(32.76)	(45.30)
	Dividend Paid	(38.25)	(46.12)
	Net cash (used) in financing activities (C)	**(173.05)**	**(82.13)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**226.97**	**(80.80)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Balances with banks in current accounts and deposit account	88.77	169.30
	Cash on hand	2.35	2.62
	CASH AND CASH EQUIVALENTS AS PER NOTE 13	**91.12**	**171.92**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts and deposit account	317.19	88.77
	Cash on hand	0.90	2.35
	CASH AND CASH EQUIVALENTS AS PER NOTE 13	**318.09**	**91.12**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors
FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

1.2 CORPORATE INFORMATION

POLYMECHPLAST MACHINES LIMITED ('the Company') is into the manufacturing and export of various range of plastic processing machines.

The Financial Statements of the Company for the year ended 31st March, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 29th May, 2021.

1.3 BASIS OF PREPARATION

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as applicable.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:
Certain financial assets and liabilities that are measured at fair value;
Defined benefit plans – plan assets measured at fair value.

iii. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the Company's functional currency, and all values are rounded to the nearest lakhs, except otherwise indicated.

iv. Composition of Financial Statements

The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to Financial Statements

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SIGNIFICANT ACCOUNTING POLICIES

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified 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
- 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.

Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for the purpose of current / noncurrent classification of assets and liabilities.

B. Property, Plant and Equipment:

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation, and impairment loss, if any. Cost includes purchase price, including non-refundable duties and taxes, expenditure that is directly attributable to bring the assets to the location and condition necessary for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policies. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Spare parts are treated as capital assets when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for, as separate items (major components) of property, plant and equipment.

Any gains or losses on their disposal, determined by comparing sales proceeds with carrying amount, are recognised in the Statement of Profit or Loss.

Subsequent Expenditure;

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-Recognition:

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from its use. Any gain or loss arising from its de-recognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when the asset is de-recognised.

Depreciation methods, estimated useful lives and residual value:
Depreciation on property, plant and equipment is provided using the straight-line method based on the life and in the manner prescribed in Schedule II to the Companies Act, 2013, and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is provided based on the useful life and in the manner prescribed in Schedule II to the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Capital Work-in-Progress

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Company's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended 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” and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

C. Intangible Assets:

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any.

Research costs are expensed as incurred. Product development expenditure incurred on individual product project is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available or use or sale;
- Its intention to complete the asset and use or sell it;
- its ability to use or sell the asset;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Amortization

Any expenditure capitalized as technical knowhow is amortized on a straight-line basis not exceeding over a period of ten years from the month of addition of the underlying product.

De- recognition of Intangible Assets:

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is de-recognized.

D. Impairment of Non-financial assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

E. Inventories:

Inventories are measured at lower of cost and net realizable value. Cost of inventories is determined on a FIFO (as mentioned below), after providing for obsolescence and other losses as considered necessary. Cost includes expenditure incurred in acquiring the inventories, reduction and conversion costs and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and other supplies held for use in the production of finished products 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.

Items of Inventory are valued on the principle laid down by the Ind AS 2 on Inventories on the basis given below:

(a)	Raw Materials, Stores & Spares (that are not capitalized) and Fuel	Lower of cost (determined on FIFO) and net realizable value.
(b)	Packing Material	Lower of cost (determined on FIFO) and net realizable value.
(c)	Traded Goods	Lower of cost and net realizable value.
(d)	Work-in-Progress	Lower of cost and net realizable value. Cost includes direct materials labour and a proportion of manufacturing overheads based on normal operating capacity.
(e)	Finished Goods	Lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads based on normal operating capacity and excise duty.

The comparison of cost and net realisable value is made on an item-by-basis.

F. Investments in associates

The Company records the investments in associates at cost less impairment loss, if any. On disposal of investment in associate, the difference between net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

G. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Initial recognition, classification and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at its amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and feesor costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial Assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCIcriteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis.

The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the company has transferred substantially all the risks and rewards of the asset, or

(b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Trade receivables or any contractual right to receive cash or another financial asset.

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount

Financial Liabilities:

Initial recognition and Measurement

The Company's financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

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.Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation 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 amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised 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 ofan 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 recognised in the statement of profit and loss.

Offsetting of financial instruments

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

H. Derivative financial instruments

The Company uses derivative financial instruments such as forward contracts to hedge its foreign currency risks relating to highly probable transactions or firm commitments. Such forward Exchange Contracts are marked to market and resulting gains or losses are recorded in the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

I. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

J. Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

K. Foreign Currency Translation:

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 reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

L. Revenue recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue from the sale of goods is recognized at the point in time when control of the asset is asset is transferred to the customer, generally on the delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash component and consideration payable to the customer like return, allowances, trade discounts and volume rebates.

Sales are disclosed excluding net of sales returns, service tax, value added tax and Goods and Service Tax (GST).

M. Other Income

Interest income

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividend income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance Claims:

Insurance claims are accounted on accrual basis when there is reasonable certainty of reliability of the claim amount.

Export Benefits

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and the net benefit/obligation is accounted by making suitable adjustments in raw material consumption.

The benefits accrued under the duty drawback scheme as per the Import and Export Policy in respect of exports made under the said scheme are recognised where there is a reasonable assurance that the benefits will be received and the company shall comply with the attached conditions . The same have been included under the head 'Export Incentives'.

N. Employee benefits:

Employee benefits include short term employee benefits, contribution to defined contribution schemes, contribution to defined benefit plan and Compensated absences.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Contribution towards defined benefit contribution schemes

Contribution towards provident fund and superannuation fund is made to the regulatory authorities. Contributions to the above scheme are charged to the Statement of profit and loss in the year when the contributions are due. Such benefits are classified as defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions to be made.

Defined benefit Plan

Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy. Current service cost, Past-service costs are recognised immediately in Statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is determined on actual basis at the end of each year.

O. Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

P. Income taxes :

The tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current Income tax (including Minimum Alternate Tax(MAT) is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will beavailable against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

  Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at there porting date.

  Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Q. Provisions and Contingent liabilities and contingent assets :

a) 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, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

b) Contingent Liabilities and Contingent assets:

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 not wholly within 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.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

R. Earnings per Share:

(i) Basic 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(ii) Diluted earnings per share

- 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.

S. Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

(**A) Lease Liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

(B) Right-of-use assets

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

(**A) Lease Liability**

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

(B) Right-of-use assets

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

Impairment

Right of use assets 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 Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease:

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

T. Segment reporting

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance. The analysis of geographical segments is based on the geographical location of the customers wherever required.

Unallocable items include general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

U. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Use of Judgments, Estimates and Assumptions

The preparation of the Company's separate financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Determination of the estimated useful life of tangible assets

Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

b. **Defined benefit plans (gratuity benefits)**

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expect future salary levels, experience of employee departures and periods of service.

c. **Taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. The assessment of probability involves estimation of a number of factors including future taxable income.

d. **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk,credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. **Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Company reassesses the estimation on each balance sheet date.

f. **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed defaults rates are updated and changes in the forward-looking estimates are analyzed.

g. **Impairment of non- financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an yindication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recover able amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset 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 assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or otheravailable fair value indicators.

h. **Other Provisions**

Significant estimates are involved in the determination of provisions.Legal proceedings often involve complex legal issues and are subject to substantial uncertainties. Accordingly, considerable judgment is part of determining whether it is probable that there is a present obligation as a result of a past event at the end of the reporting period, whether it is probable that such a Legal Proceeding will result in an outflow of resources and whether the amount of the obligation can e reliably estimated.

V. Recent Pronouncement

"Recent pronouncements On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.

The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc. Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law."

4. Property, Plant and Equipments

Notes To Standalone Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Computer	Vehicles	Furniture	Office Equipment	Electrical Installation	Testing Equipment	Pattern Die & Mould	Air Conditioner	Total
Gross carrying amount As at 01-04-2020	**339.82**	**76.89**	**214.85**	**20.58**	**12.00**	**52.38**	**9.34**	**25.01**	**27.01**	**1.96**	**0.19**	**6.49**	**786.52**
Additions	3.24	-	518.05	4.75	18.23	83.90	77.30	2.57	28.59	-	-	21.83	758.45
Disposals	-	-	-	-	-	9.46	-	-	-	-	-	-	9.46
Gross carrying amount As at 31-03-2021	**343.05**	**76.89**	**732.90**	**25.33**	**30.23**	**126.82**	**86.64**	**27.58**	**55.60**	**1.96**	**0.19**	**28.32**	**1,535.51**
Closing accumulated depreciation As at 01-04-2020	**-**	**-**	**38.75**	**9.38**	**10.40**	**36.18**	**6.97**	**18.03**	**10.56**	**1.62**	**-**	**5.14**	**137.03**
Charge for the year	-	-	18.96	2.53	3.65	7.33	4.48	2.34	3.82	-	-	2.91	46.02
On Disposals	-	-	-	-	-	8.77	-	-	-	-	-	-	8.77
Closing accumulated depreciation As at 31-03-2021	**-**	**-**	**57.71**	**11.92**	**14.04**	**34.74**	**11.45**	**20.37**	**14.38**	**1.62**	**-**	**8.05**	**174.29**
Net Carrying Amount:													
As at 31-03-2021	**343.05**	**76.89**	**675.19**	**13.42**	**16.19**	**92.07**	**75.19**	**7.21**	**41.22**	**0.34**	**0.19**	**20.26**	**1,361.22**
As at 31-03-2020	**339.82**	**76.89**	**176.10**	**11.20**	**1.60**	**16.20**	**2.37**	**6.98**	**16.45**	**0.34**	**0.19**	**1.35**	**649.47**

Notes:

(i) Assets pledge as security and other restrictions :

The lease hold Land and Buildings , all movable Plant and Machineries and equipments are pledge as security on to the bankers under a mortgage against the term loans ,cash credit and other facilities availed or to be availed by the company.

The one of the factory office of the company having net value of Rs. 26.07 lakhs has been furnished as security to the satisfaction of the court , in relation to a court case of insurance claim. The Company is not allowed to sell this office building to other entity.

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Computer	Vehicles	Furniture	Office Equipment	Electrical Installation	Testing Equipment	Pattern Die & Mould	Air Conditioner	Total
Gross carrying amount As at 01-04-2019	**339.82**	**76.89**	**214.85**	**18.90**	**12.00**	**51.70**	**9.34**	**24.11**	**27.01**	**1.96**	**0.19**	**5.70**	**782.47**
Additions	-	-	-	1.68	-	0.68	-	0.90	-	-	-	0.78	4.04
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31-03-2020	**339.82**	**76.89**	**214.85**	**20.58**	**12.00**	**52.38**	**9.34**	**25.01**	**27.01**	**1.96**	**0.19**	**6.49**	**786.51**
Closing accumulated depreciation As at 01-04-2019	**-**	**-**	**28.50**	**6.96**	**8.88**	**28.99**	**5.99**	**12.81**	**7.84**	**1.62**	**-**	**4.16**	**105.75**
Charge for the year	-	-	10.25	2.42	1.51	7.19	0.99	5.22	2.73	-	-	0.97	31.29
On Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation As at 31-03-2020	**-**	**-**	**38.75**	**9.38**	**10.40**	**36.18**	**6.97**	**18.03**	**10.56**	**1.62**	**-**	**5.14**	**137.03**
Net Carrying Amount:													
As at 31-03-2020	**339.82**	**76.89**	**176.10**	**11.20**	**1.60**	**16.20**	**2.37**	**6.98**	**16.45**	**0.34**	**0.19**	**1.35**	**649.47**
As at 31-03-2019	**339.82**	**76.89**	**186.34**	**11.93**	**3.12**	**22.72**	**3.36**	**11.31**	**19.18**	**0.34**	**0.19**	**1.54**	**676.72**

Notes:

(i) Assets pledge as security and other restrictions :

The lease hold Land and Buildings , all movable Plant and Machineries and equipments are pledge as security on to the bankers under a mortgage against the term loans ,cash credit and other facilities availed or to be availed by the company.

The one of the factory office of the company having net value of Rs. 26.54 lakhs has been furnished as security to the satisfaction of the court , in relation to a court case of insurance claim. The Company is not allowed to sell this office building to other entity.

5. Capital work-in-progress

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Building Work in Progress	22.88	506.34

Notes:

(i) Borrowing cost capitalized during the year amounts to Rs.6.22 Lakhs (FY 19-20: Rs. 16.00 lakhs)

Notes To Standalone Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

6. Investments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment carried at Cost		
Investment in equity Instruments (Unquoted fully paid up)		
Investment in Associate		
20,000 (PY: Nil) equity shares of Rs. 10 each at fully paid up in Pramukh Medical Devices Private Limited	2.00	0.00
Investments at fair value through other comprehensive income		
Investment in equity Instruments (Unquoted fully paid up)		
4 (PY: 4) Equity shares of Makarpura Industrial Estate Co-operative Bank Ltd.*	0.00	0.00
1(PY: 1) Equity share of Plastics Machinery Manufacturers Association of India *	0.00	0.00
Total	2.00	0.00
Aggregate Value of unquoted investment	2.00	0.00

(*) Value is Nil due to rounding off in lakhs.

7. Loans

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposits		
- Related parties	-	14.16
- Others	26.86	15.04
Total	26.86	**29.20**

8. Other financial assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank deposits with more than 12 months of original maturity *	243.63	210.16
Total	**243.63**	**210.16**

(*) Includes following:

i. Bank deposit under lien of National insurance company Rs. 76.21 lakhs(As at 31st March, 2020 Rs. 76.21 lakhs)

ii. Deposits pledged with government authorities Rs. 1.01 lakhs(As at 31st March 2020 Rs. 0.95 lakhs)

9. Deferred tax assets (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability	17.18	11.51
Related to Property, Plant and Equipments and Intangible asset		
Total	**17.18**	**11.51**
Deferred Tax Assets		
Expenses allowable u/s 43B of the Income Tax Act, 1961	16.83	11.36
Others	3.99	1.94
Total	**20.81**	**13.30**
Net deferred tax (assets) / liabilities	**(3.63)**	**(1.79)**

Notes To Standalone Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

10. Other Non Current Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Capital Advance	36.64	11.14
Total	**36.64**	**11.14**

11. Inventories
(At lower of cost and net realizable value)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials & Components	639.49	520.83
Work in Progress	360.34	526.47
Finished Goods	111.84	82.40
Stock in transit	-	1.15
Total	**1,111.68**	**1,130.84**

Notes:
(i) The above inventories are pledge as securities to the bankers against the fund based and non fund based credit limits availed or to be availed by the Company.

12. Trade Receivables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables considered Good-Secured		-
Trade Receivables considered Good-Unsecured		
- Receivable from Related Parties	8.20	25.17
- Others	139.09	141.96
Total	**147.29**	**167.13**
Trade Receivables which have significant increase in credit risk	3.45	8.17
Trade Receivables credit impaired		-
Total	**150.74**	**175.29**
Less : Expected Credit Loss Allowance	(3.23)	(18.14)
Total	**147.51**	**157.15**

Notes:
(i) The above trade receivables are pledge as securities to the bankers against the fund based and non fund based credit limits availed or to be availed by the Company.

13. Cash and cash equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	317.19	88.77
Cash in hand	0.90	2.35
Total	**318.09**	**91.12**

Notes To Standalone Financial Statements For The Year Ended 31st March,2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

14. Bank balances other than above

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Bank Balances		
Term deposits with original maturity for more than 3 months but less than 12 months:		
- Bank deposits.	236.25	47.14
Balances held in capital gain account	-	0.08
Unpaid Dividend	20.49	14.00
Total	**256.74**	**61.22**

15. Loans

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Advances to employees	0.20	0.76
Total	**0.20**	**0.76**

16. Other financials assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued on Fixed deposits	0.12	-
Total	**0.12**	**-**

17. Other current assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Expenses paid in advance	11.23	7.38
Advances to Supplier	95.21	118.13
Balances with government authorities	30.97	44.77
Balance with gratuity fund (refer note no.37)	11.95	0.67
Others	-	17.57
Total	**149.35**	**188.52**

18. Current Tax Asset (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Tax Asset (Net)	15.44	9.64
Total	15.44	**9.64**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

19. Share Capital

Authorized Share Capital

Particulars	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	75,00,000	750.00
Increase /(decreased) during the year	-	-
At 31st March 2020	75,00,000	750.00
Increase /(decreased) during the year	-	-
At 31st March 20221	75,00,000	750.00

Issued Share Capital

Particulars	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	**47,81,700**	**478.17**
Increase /(decreased) during the year on account of forfeiture of shares	-	-
At 31st March 2020	**47,81,700**	**478.17**
Increase /(decreased) during the year	-	-
At 31st March 2021	**47,81,700**	**478.17**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Equity Share Capital	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	**47,81,700**	**478.17**
Add: Equity shares issued during the year	-	-
Less: Equity shares bought back during the year	-	-
Less: Equity shares forfeited during the year	-	-
At 31st March 2020	**47,81,700**	**478.17**
Add: Equity shares issued during the year	-	-
Less: Equity shares bought back during the year	-	-
Less: Equity shares forfeited during the year	-	-
At 31st March 2021	**47,81,700**	**478.17**

Terms/Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

Shares held by shareholders each holding more than 5% of the shares

Shareholders	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Meetaben Himmatlal Bhuva	273,950	5.73%	273,950	5.73%
Mahendra Ravjibhai Bhuva	648,742	13.57%	270,943	5.67%
Hansaben Mahendrabhai Bhuva	441,653	9.24%	270,600	5.66%
Himmatbhai Parsottambhai Bhuva	377,650	7.90%	272,650	5.70%

Notes To Standalone Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

20. Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserve- on account of share forfeiture	49.49	49.49
Retained Earnings	1,092.91	853.14
Total	**1142.40**	**902.63**

Other Equity	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve		
Balance as per last Balance Sheet	49.49	49.49
Add: On account of forfeiture of share	-	-
	49.49	**49.49**
Retained Earnings		
As per last Balance Sheet	853.14	729.32
Add: Profit for the year	278.17	171.78
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	(0.15)	(1.84)
Less:Dividend on Equity shares including tax thereon	(38.25)	(46.12)
	1,092.91	**853.14**
Total	**1142.40**	**902.63**

21. Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - at amortized cost		
Term Loans		
- from Banks (Refer note (i) and (ii))	49.41	108.00
Total	**49.41**	**108.00**

(i) Nature of security:

- The term loans are in nature of construction of office building loan and vehicle loan and are secured against the Property at plot no 764, 773, 774, 775 and 776 at GIDC, Makarpura, Vadodara and the vehicle purchased respectively.

(ii) Maturity profile of Secured Term loans are set out below:

(*) Interest rate range from 7.55 % to 9.55 %

Particulars	Term loan - from banks
1-2 Years	17.76
2-3 Years	17.76
3-4 Years	13.88

22. Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - at amortized cost		
Loans repayable on demand (Refer Note (i))		
- From banks (Cash Credit)	391.76	492.04
- Overdraft against Fixed deposits	43.00	-
Total	**434.76**	**492.04**

Notes To Standalone Financial Statements For The Year Ended 31st March,2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

(i) Nature of security:

The above cash credit facility from Indian Overseas Bank is secured By Stock & Book Debts and further secured by equitable mortgage of Factory Land, Building and Industrial Shed. Moreover, 2 Directors have given personal guarantee for the said loan. The loan is at the Interest rate of 9.55%.

23. Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payables		
Total outstanding due of micro enterprises and small enterprise (refer note no.41)	203.15	105.12
Total Outstanding dues of creditors other than micro enterprise and small enterprises	442.62	340.31
Total	**645.77**	**445.43**

24. Other financial liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debt [refer note 19 (i) and (ii) above]	53.69	39.86
Other expenses payable	13.76	10.21
Unpaid Dividends*	20.49	14.00
Total	**87.94**	**64.07**

(*) To be deposited with Investor Education and Protection Fund as when they became due.

25. Other current liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers	671.22	451.38
Statutory dues payable	61.34	8.18
Salary & Wages Payable	52.72	30.63
Capital advance received	13.00	5.00
Total	**798.28**	**495.19**

26. Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
- Provision for compensated absences (refer note 37)	26.42	25.38
- Provision for Bonus/exgratia	20.24	19.74
Other Provisions		
- Warranties (refer note 36)	12.61	16.70
Total	**59.27**	**61.82**

27. Revenue from Operations

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sale of product	6,080.03	4,378.55
Sale of Services	9.32	12.56
Total	**6,089.35**	**4,391.12**

Disaggregation of revenue

Revenue based on Geography

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sale of product		
- Domestic Sales	5,951.26	4,032.14
- Export Sales	128.77	346.42

28. Other Income

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest Income	19.16	16.86
Net gain on foreign currency transactions/translations	2.83	6.19
Other Non-Operating Income (net of expenses)	30.80	6.22
Total	**52.79**	**29.26**

Details of Interest Income	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest income comprises:(measured at ammortised cost)		
Interest from Banks on fixed deposits	18.96	16.85
Interest capital gain account	0.00	0.00
Other Interest	0.20	
Total - Interest income	**19.16**	**16.86**

(*) Value is Nil due to rounding off in lakhs.

Details of Other Non - Operating Income	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Other non-operating income comprises:		
Export Incentives	13.54	4.95
Gain on sale of Asset	0.64	-
Reversal on account of Expected Credit Loss Allowance	14.91	-
Other miscellaneous income	1.71	1.27
Total - Other non-operating income	**30.80**	**6.22**

Notes To Standalone Financial Statements For The Year Ended 31st March,2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

29. Cost of materials consumed

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Raw Material Consumption		
Opening Stock	520.83	577.92
Add: Purchases	4,411.40	3,080.92
	4,932.23	**3,658.84**
Less: Closing stock	639.49	520.83
Cost of Material Consumed	**4,292.74**	**3,138.01**
Total	**4,292.74**	**3,138.01**

30. Changes in Inventories of finished goods and Work in Progress

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Inventories at the beginning of the year:		
Finished Goods	82.40	78.97
Semi Finished Goods	526.47	433.95
	608.87	**512.91**
Inventories at the end of the year:		
Finished Goods	111.84	82.40
Semi Finished Goods	360.34	526.47
	472.18	**608.87**
Net Change in Inventories	**136.68**	**(95.95)**

31. Employee Benefit expenses

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Salaries, wages , bonus, exgratia, allowances ,etc.	500.68	469.17
Contributions to Provident Fund and Other Funds	28.79	30.87
Staff welfare expenses	7.43	3.19
Total	**536.90**	**503.23**

32. Finance Costs

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest costs:		
(i) Interest on borrowings	30.33	39.99
(ii) Others (*)	-	0.00
Other borrowing costs	2.43	5.30
Total	**32.76**	**45.30**

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33. Other Expenses

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Power and Fuel	21.81	16.22
Labour Charges	425.68	295.78
Repairs and maintenance :		
- on machinery	5.36	4.29
- others	9.00	7.07
Rates and taxes	3.42	1.88
Rent Expenses (refer note no. 40)	8.99	1.44
Consultancy charges	18.52	9.07
Auditor's Remuneration	4.96	2.91
Travelling and conveyance	19.68	26.77
Insurance	5.81	3.71
Selling and distribution expenditure	1.57	35.26
Freight Expenses	102.22	79.98
Sales Commission	13.72	6.27
Bad debts/advances written off	22.26	-
Loss allowance(refer note no. 43(A)(ii))	-	3.32
Donation	9.95	7.53
Miscellaneous expenses	58.89	61.51
Total	**731.86**	**563.00**

(i) Auditor's Remuneration

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
(i)	**Payments to the statutory auditors comprises:**		
	Statutory audit (Including limited review)	2.30	1.30
	Tax audit	0.50	0.50
	GST Audit	1.50	0.60
	Other Services	0.66	0.51
	Total	**4.96**	**2.91**

34. TAX EXPENSE

Particulars		Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	87.69	60.06
	Income Tax adjustments for earlier years	1.11	(0.68)
		88.80	59.37
	Deferred tax		
	Deferred tax for the year	(1.79)	4.36
		(1.79)	4.36
		87.01	**63.73**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit before income tax expense	365.18	235.51
	Tax at the Indian tax rate of 25.168% (2019-20 – 25.168%)	91.91	59.27
	Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
	Non-deductible tax expenses	3.22	14.94
	Deductible tax expenses	(8.12)	(10.49)
	Income Tax Expense	**87.01**	**63.73**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

35. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company	**March 31, 2021**	**March 31, 2020**
Profit attributable to equity holders of the Company for basic and diluted earnings per share	**278.17**	**171.78**
ii. Weighted average number of ordinary shares	**March 31, 2021**	**March 31, 2020**
Weighted average number of shares at March 31 for basic and diluted earnings per shares	**4,781,700**	**47,81,700**
Basic earnings per share (in Rs.)	**5.82**	**3.59**

36. Disclosure relating to Provision

Provision for warranty

Warranty cost are provided based on a technical estimated of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period

The movement in the above provision are summarized below:

Particulars	**Warranty**	
	2020-2021	**2019-2020**
Balance as at 1st April, 2020	16.70	12.31
Provision:		
Created	2.74	13.89
Utilized	6.83	9.50
Balance as at 31st March, 2021	**12.62**	**16.70**

37. Employee benefits

[A] Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Risks associated with defined benefit plan

Interest rate risk: A fall in the discount rate which is linked to the Government Securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2021

a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
PVO at the beginning of the year	112.22	104.29
Current service cost	3.04	2.63
Interest cost	7.68	7.89
Past Service cost	5.53	-
Actuarial (Gains)/Losses on obligations- Due to Change in Financial Assumption	(0.20)	3.62
Actuarial (Gains)/Losses on obligations- Due to Experience	0.26	(0.84)
Actuarial (Gains)/Losses on obligations- Due to Demographic Assumptions	-	-
Benefit Paid directly by the employer	(20.00)	-
Benefits paid	(3.97)	(5.37)
PVO at the end of the year	**104.56**	**112.22**

b) Change in fair value of plan assets:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
Fair value of plan assets at the beginning of the year	112.89	83.18
Interest Income	7.72	6.30
Return on Plan Assets, Excluding Interest Income	(0.13)	0.33
Contributions by the employer	-	28.46
(Benefits paid from the Fund)	(3.97)	(5.37)
Fair value of plan assets at the end of the year	**116.51**	**112.89**

c) Reconciliation of PVO and fair value of plan assets:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
PVO at the end of period	(104.56)	(112.22)
Fair value of planned assets at the end of year	116.51	112.89
Funded status	11.95	0.67
Net asset/(liability) recognized in the balance sheet	**11.95**	**0.67**

Net Interest Cost for Current Period	31/03/2021	31/03/2020
Present Value of Benefit Obligation at the Beginning of the Period	112.22	104.29
(Fair Value of Plan Assets at the Beginning of the Period	(112.89)	(83.18)
Net Liability/ (Asset) at the Beginning	(0.67)	21.11
Interest cost	7.68	7.89
(Interest Income)	(7.72)	(6.30)
Net Interest Cost for Current Period	**(0.05)**	**1.60**

Expenses Recognized in the Statement of Profit or Loss for Current Period	31/03/2021	31/03/2020
Current Service Cost	3.04	2.63
Net Interest Cost	(0.05)	1.60
Past Service Cost	5.53	0.00
Expenses Recognized	**8.52**	**4.22**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	31/03/2021	31/03/2020
Actuarial (Gains) Losses on Obligation for the Period	0.07	2.78
Return on Plan Assets, Excluding Interest Income	0.13	(0.33)
Net (Income)/ Expense For the Period Recognized in OCI	**0.20**	**2.46**

Balance Sheet Reconciliation	31/03/2021	31/03/2020
Opening Net Liability	(0.67)	21.12
Expense Recognized in Statement of Profit Or Loss	8.52	4.22
Expense Recognized in OCI	0.20	2.46
Benefit Paid Directly by the Employer	(20.00)	-
(Employer's Contribution)	-	(28.47)
Net Liability (Assets) Recognized in the Balance Sheet	**(11.95)**	**(0.67)**

Category of Assets	31/03/2021	31/03/2020
Insurance Fund	116.51	112.89
Total	**116.51**	**112.89**

Other Details	Current Period	Previous Period
No of Active Members	93.00	54.00
Per Month Salary for Active Members (Rs in Lakhs)	13.29	11.50
Weighted Average Duration of the Projected Benefit Obligation	8.00	6.00
Average Expected Future Service	15.00	11.00
Projected Benefit Obligation	104.56	112.22
Prescribed Contribution for Next Year (12 Months) (Rs in Lakhs)	-	2.37

Net Interest Cost for Next Year	Current Period	Previous Period
Present Value of Benefit Obligation at the End of the Period	104.56	112.22
(Fair Value of Plan Assets at the End of the Period)	(116.51)	(112.89)
Net Liability/(Asset) at the End of the Period	(11.95)	(0.67)
Interest Cost	7.18	7.68
(Interest Income)	(8.00)	(7.72)
Net Interest Cost for Next Year	**(0.82)**	**(0.05)**

Expenses Recognized in the statement of Profit or Loss for Next Year	Current Period	Previous Period
Current Service Cost	5.27	3.04
Net Interest	(0.82)	(0.05)
Expenses Recognized	4.45	3.00

g) Major category of assets as at:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
Insurer Managed funds	116.51	112.89

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h) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
f) Major Actuarial Assumptions		
Expected return on plan assets (%)	6.87%	6.84%
Rate of Discounting	6.87%	6.84%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	**0.02**	**0.02**
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after Employment	N.A	N.A

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Note 3: 100% of the plan assets are invested in group gratuity scheme offered by LIC of India.

Maturity Analysis of the Benefit Payments :From the Fund	31/03/2021	31/03/2020
1st Following Year	5.61	26.20
2nd Following Year	9.41	2.68
3rd Following Year	26.51	11.37
4th Following Year	23.99	24.76
5th Following Year	3.63	22.47
Sum of Years 6 to 10	34.16	19.64
Sum of Years 11 and above	93.32	68.61

Sensitivity analysis

Particulars	31/03/2021	31/03/2020
Projected Benefit Obligation on Current Assumptions	104.56	112.22
Delta Effect of +1 % Change in Rate of Discounting	(6.09)	(5.08)
Delta Effect of -1 % Change in Rate of Discounting	7.12	5.75
Delta Effect of +1 % Change in Rate of Salary Increase	6.26	4.71
Delta Effect of -1 % Change in Rate of Salary Increase	(5.37)	(4.16)
Delta Effect of +1 % Change in Rate of Employee Turnover	(0.05)	0.12
Delta Effect of -1 % Change in Rate of Employee Turnover	0.06	(0.12)

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the projected 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. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company’s financial statements as at balance sheet date:

Particulars	31/03/2021	31/03/2020
Total employee benefit liabilities		
Non-Current	(11.95)	(0.67)

(b) Other long term Benefit:

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to , policy of maximum leave accumulation of company. The scheme is not funded.

Changes in the present value of the obligation in respect of leave encashment

Particulars	31/03/2021	31/03/2020
Obligation at the year beginning	25.38	21.98
Provision during the year	1.04	3.39
Obligation at the year end	**26.42**	**25.38**

(c) Defined Contribution plans:

Amounts recognized as expense for the period towards contribution to the following funds:

Particulars	31/03/2021	31/03/2020
Employers contribution to:		
- Provident Fund and Pension Fund	26.43	28.22
- Employee State Insurance (ESI)	2.51	2.65
- Gujarat Labour Welfare Fund	0.02	0.02
Total	**28.97**	**30.89**

38. Related party transactions

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

a. Name of the related party and nature of relationship: -

Sr No	Particulars	Relationship
I	**Key Managerial Personnel / Directors:**	
	Mr. K. R. Bhuva	Chairman (upto 18.01.2021) Managing Director (upto 11.02.2021)
	Mr. M. R. Bhuva	Chairman (w.e.f 11.02.2021) Executive Director (Upto 11.02.2021)
	Mr. H. P. Bhuva	Executive Director
	Mrs. H. D. Pathak	Independent Director
	Mr. A.N. Shah	Independent Director
	Mr. D. K. Punjabi	Chief Financial Officer
	Ms. Gauri Y Bapat	Company Secretary
II	Enterprises in which Management or Relatives of Key Managerial Personnel having significance influence	Plastomech Equipments Pvt Ltd.
II	Associate Company	Pramukh Medical Devices Pvt. Ltd.

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b) Key management personnel compensation:-

Particulars	31/03/2021	31/03/2020
Short term employee benefits	91.93	96.69
Post employment benefits accumulated till date	68.17	69.08
Total compensation	**160.10**	**165.78**

c) Transaction with related parties

Name of Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Mr. K. R. Bhuva	Managerial Remuneration	23.23	28.86
Mr. M. R. Bhuva	Managerial Remuneration	28.84	28.69
Mr. H. P. Bhuva	Managerial Remuneration	28.85	28.70
Mr. D. K. Punjabi	Salary	5.18	4.95
Ms. Gauri Y Bapat	Salary	5.83	5.49
Plastomech Equipments Pvt Ltd.	Sales of goods	-	0.24
Plastomech Equipments Pvt Ltd.	Purchase of goods	16.54	-
Pramukh Medical Devices Pvt. Ltd.	Investment in Assocites	2.00	-
Pramukh Medical Devices Pvt. Ltd.	Rent Expense	0.20	-
Pramukh Medical Devices Pvt. Ltd.	Purchase of goods	0.99	-

d) Balance outstanding as at the end of the period

For the period ended on	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Plastomech Equipments Pvt Ltd.		
Trade Receivables	8.18	25.17
Security deposits	-	14.16

39 Additional information to the financial statements
Contingent Liabilities and Capital Commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts (on account of outstanding law suits)	176.86	176.86
(ii) Guarantees given by Banks to third parties on behalf of the company		-
(b) No provision has been made for following demands raised by the authorities since the company has reason to believe that it would get relief at the appellate stage as the said demand are excessive and erroneous		
(i) Disputed Income tax Liability	9.95	39.50
Total	**186.81**	**216.36**
(c) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)		
- Property plant and equipment	144.29	128.04

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40. Disclosure pursuant Leases:

As Lessee

Short term Leases

The Company has obtained premises for its business operations under Short term leases.

Lease payments are recognised in Statement of Profit and Loss under the head "Rent Expense" in note no 33.

41. Disclosure related to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Outstanding dues to micro and small enterprises

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year - Principal Amount - Interest Due thereon	 203.15 Nil	 105.12 Nil
(B)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

42. FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments	-	-	2.00	-	-	0.00
Deposits	-	-	26.86	-	-	29.20
Trade Receivables	-	-	147.51	-	-	157.15
Cash and Cash Equivalents	-	-	318.09	-	-	91.12
Bank Balances other than above	-	-	256.74	-	-	61.22
Loan to Employees	-	-	0.20	-	-	0.76
Other Financial Assets	-	-	243.75	-	-	210.16

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Total Financial Assets	**-**	**-**	**995.16**	**-**		**549.61**
Financial Liabilities						
Other current financial Liabilities	-	-	87.94	-	-	64.07
Borrowings	-	-	484.17	-	-	600.04
Trade payables	-	-	645.77	-	-	445.43
Total Financial Liabilities	**-**	**-**	**1,217.88**	**-**		**1,109.54**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 accounting standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost Deposits	7	-	26.86	-	26.86
Total Financial Assets		-	26.86	-	26.86
Financial Liabilities at amortized cost Financial Liabilities- Borrowings non- current)	21	-	49.41	-	49.41
Total Financial Liabilities		-	**49.41**	-	**49.41**

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost Deposits	7	-	29.20	-	29.20
Total Financial Assets		-	**29.20**	-	**29.20**
Financial Liabilities at amortized cost Financial Liabilities- Borrowings non- current)	21	-	108.00	-	108.00
Total Financial Liabilities		-	**108.00**	-	**108.00**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes commodities, listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market 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.

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

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
'- the use of quoted market prices or dealer quotes for similar instruments
'- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, employee advances, cash and cash equivalents, bank fixed deposits and other short term receivables, trade payables, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

43. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has 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. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

(i) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

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(ii) Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Reconciliation of loss allowance provision – Trade receivables

Particular	Amount
Loss allowance on April 1, 2019	14.82
Changes in loss allowance	3.32
Loss allowance on April 1, 2020	18.14
Changes in loss allowance	(14.91)
Loss allowance on March 31, 2021	3.23

(iii) Loans and advances

In the case loans to employees, the same is managed by establishing limit. (Which in turn based on the emplyoees salaries and numbers of years of services put in by the concern employees)

(iv) Security Deposites

Security Deposites are refundable and recoverable and there is no significant increased in credit risk

(v) Other Financials Assets

Other Financials Assets are cosidered to be to be of good quality and there is no significant increased in credit risk

(vi) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of Rs. 318.09 lakhs (31.03.2020, Rs. 91.12 lakhs,). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The company has long term borrowings in nature of Term loans from Banks. The company also has short term cash credit and other non fund based borrowings facilities .

(ii) Maturities of financial liabilities

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2021			
Non-derivatives			
Borrowings	488.45	49.41	537.86
Trade payables	645.77	-	645.77
Other Financial Liabilities	34.25	-	34.25
Total Non-derivative liabilities	**1168.47**	**49.41**	**1217.88**
As at March 31, 2020			
Non-derivatives			
Borrowings	531.90	108.00	639.90
Trade payables	445.43	-	445.43
Other Financial Liabilities	24.22	-	24.22
Total Non-derivative liabilities	**1001.54**	**108.00**	**1109.54**

(C) Market risk

(i) Foreign currency risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The risk is measured through a forecast of foreign currency for the Company's operations.

The Companies exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Currency	As at March 31, 2021			As at March 31, 2020		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
IN USD	464.94	-	464.94	224.94	-	224.94
IN EURO	-	-	-	-	-	-
INR- Equivalent(Rs. In Lakhs)	0.34	-	0.34	0.17	-	0.17

Currency	As at March 31, 2021			As at March 31, 2020		
	Trade Payable	Hedges available	Net exposure to foreign currency risk	Trade Payable	Hedges available	Net exposure to foreign currency risk
IN USD	-	-	-		-	-
IN EURO	-	-	-		-	-
INR- Equivalent(Rs. In Lakhs)	-	-	-		-	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhegded foreign currency denominated financial instruments.

Particulars	Impact on profit after tax	
	March 31, 2021	March 31, 2020
USD sensitivity(In USD)		
INR/USD increases by 5%	0.02	0.01
INR/USD decreases by 5%	(0.02)	(0.01)

Notes To Standalone Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

44. CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital are to:

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

Capital Management

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimize returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximize the share holders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

45. Event after reporting Period

(i) Proposed dividend on Equity Shares:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Proposed dividend on Equity Shares : Proposed dividend is Rs.1/- per share for the year ended on 31st March, 2021: (Previous year 31st March, 2020 : Rs. 00.80 /- per share)	47.82	38.25
	47.82	**38.25**

This proposed dividend are subject to the approval of shareholders in the ensuing annual general meeting and therefore are not recognised as liability at year end.

46. The Company has evaluated the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amount of inventories, receivables and other assets. The Company does not foresee any material impact on liquidity and assumption of going concern.

47. The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 29th May, 2021. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

48. The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

The accompanying notes (1 to 48) are an integral part of the financial statements.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors
FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
POLYMECHPLAST MACHINES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Polymechplast Machines Limited ("the Company") and its associate, which comprise the Consolidated Balance Sheet as at 31st March,2021,the Consolidated statement of Profit and Loss including Other Comprehensive Income, the Consolidated statement of Changes in Equity and the Consolidated statement of Cash Flows for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the associate as referred to in the "Other Matter" Paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31st March, 2021, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Company and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and its associate 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability and the associate'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 is also responsible for overseeing the Company's and associate's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its associate incorporated in India has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such 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 and its associate'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 consolidated 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 and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditor.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements;

   b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;

   d. in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

   e. on the basis of the written representations received from the directors as on 31st March,2021 and taken on record by the Board of Directors, none of the directors of the group company and its associate company incorporated in India is disqualified as on 31st March, 2021, from being appointed as a director in terms of Section 164(2) of the Act;

   f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;

   g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the Company has neither paid nor provided for, any remuneration to its directors during the year; and

   h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Consolidated financial statements disclosed the impact of pending litigations on the Consolidated financial position of the Company and its associate – Refer Note 39 to the consolidated financial statements;

ii. the Company and its associate did not have any long-term contracts including derivative contracts as at 31st March, 2021;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate incorporated in India.

iv.

I. The Company's Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Company's Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company and its associates from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company and its associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

iv. The company has complied with Section 123 of the Companies Act, 2013in respect with dividend declared or paid during the year by the Company.

For CNK & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Alok Shah
Partner
Membership No. 042005
Place: Vadodara
Date: 29th May, 2021
UDIN:21042005AAAAHA4462

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Polymechplast Machines Limited

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of the consolidated financial statements of Polymechplast Machines Limited (“the Company”) and its associate company wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of 31st March, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company and its associate's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31stMarch, 2021, based on the internal financial controlswith reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

For CNK & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Alok Shah
Partner
Membership No.042005
Place: Vadodara
Date: 29th May, 2021
UDIN: 21042005AAAAHA4462

CIN No. L27310GJ1987PLC009517

Consolidated Balance sheet As at 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	Note No.	As on 31st March, 2021	As on 31st March, 2020
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4	1,361.22	649.47
	(b) Capital work-in-progress	5	22.88	506.34
	(c) Financial Assets			
	(i) Investments	6	0.00	0.00
	(ii) Investments accounted using Equity Method	6	1.59	-
	(iii) Loans	7	26.86	29.20
	(iv) Other financial assets	8	243.63	210.16
	(d) Deferred tax assets (Net)	9	3.63	1.79
	(e) Other Non Current Assets	10	36.64	11.14
(2)	**Current assets**			
	(a) Inventories	11	1,111.68	1,130.84
	(b) Financial Assets			
	(i) Trade receivables	12	147.51	157.15
	(ii) Cash and cash equivalents	13	318.09	91.12
	(iii) Bank balances other than (ii) above	14	256.74	61.22
	(iv) Loans	15	0.20	0.76
	(v) Other financial assets	16	0.12	-
	(c) Other current assets	17	149.35	188.52
	(d) Current Tax Asset (Net)	18	15.44	9.64
	Total Assets		**3,695.58**	**3,047.35**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share capital	19	478.17	478.17
	(b) Other Equity	20	1,141.98	902.63
	Total equity attributable to equity holders of the Company		**1,620.15**	**1,380.80**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	21	49.41	108.00
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22	434.76	492.04
	(ii) Trade payables			
	(A)Total outstanding dues of micro enterprises and small enterprise	23	203.15	105.12
	(B)Total Outstanding dues of creditors other than micro enterprise and small enterprises	23	442.62	340.31
	(iii) Other financial liabilities	24	87.94	64.07
	(b) Other current liabilities	25	798.28	495.19
	(c) Provisions	26	59.27	61.82
	Total Liabilities		**2,075.43**	**1,666.55**
	Total Equity and Liabilities		**3,695.58**	**3,047.35**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors

FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

Consolidated Statement of Profit and Loss For the year ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I	Revenue from operations	27	6,089.35	4,391.12
II	Other income	28	52.79	29.26
III	**Total Income (I + II)**		**6,142.15**	**4,420.38**
IV	**EXPENSES**			
	Cost of materials consumed	29	4,292.74	3,138.01
	Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	30	136.68	(95.95)
	Employee benefits expenses	31	536.90	503.23
	Finance costs	32	32.76	45.30
	Depreciation and amortization expense	4	46.02	31.29
	Other expenses	33	731.86	563.00
	Total expenses (IV)		**5,776.96**	**4,184.88**
V	**Profit before tax (III-IV)**		**365.18**	**235.51**
VI	**Tax Expense:**	34		
	(1) Current tax		87.69	60.06
	(2) Deferred tax		(1.79)	4.36
	(3) Income tax adjustments relating to earlier year		1.11	(0.68)
			87.01	**63.73**
VII	**Profit after tax (V-VI)**		**278.17**	**171.78**
	Share of Associate's Loss		(0.41)	-
VIII	**Profit after Tax and Share of Associate's Loss**		**277.76**	**171.78**
IX	A (i) Items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		(0.20)	(2.46)
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement of Defined benefit plans		0.05	0.62
	Total other comprehensive income (A (i - ii))		**(0.15)**	**(1.84)**
X	**Total comprehensive income for the period (VII + VIII)**		**277.61**	**169.94**
XI	Earnings per equity share (for continuing operation):			
	(1) Basic	35	5.81	3.59
	(2) Diluted	35	5.81	3.59

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors

FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

CIN No. L27310GJ1987PLC009517

Consolidated Statement Of Changes In equity For The Year Ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

a. Statement of Changes in Equity:

Balance as at the 1st April 2019	**478.17**
Changes in equity share capital during the year	-
Balance as at the 31st March 2020	**478.17**
Changes in equity share capital during the year	-
Balance as at the 31st March 2021	**478.17**

b. Other Equity

Particulars	Capital Reserve	Retained Earnings	Total Equity
As at 1st April, 2019	49.49	729.32	778.81
Profit for the year	-	171.78	171.78
Amount transferred during the year	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	(1.84)	(1.84)
Dividend on Equity shares including tax thereon	-	(46.12)	(46.12)
As at 31st March, 2020	**49.49**	**853.14**	**902.63**
As at 1st April, 2019	49.49	853.14	902.63
Profit for the year	-	277.76	277.76
Amount transferred during the year	-	-	-
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	(0.15)	(0.15)
Dividend on Equity shares including tax thereon	-	(38.25)	(38.25)
As at 31st March, 2021	**49.49**	**1,092.49**	**1,141.98**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

CIN No. L27310GJ1987PLC009517

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Sr. No.	Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
A	**Cash flow from operating activities**		
	Profit before income tax	365.18	**235.51**
	Adjustments for :		
	Depreciation and amortization expense	46.02	31.29
	Interest Income	(19.16)	(16.86)
	Finance Cost	32.76	45.30
	Bad debts and balances written off	22.26	-
	Allowance for doubtful debts (Expected Credit Loss Allowance)	(14.91)	3.32
	(Gain) / Loss on disposal of Property, Plant and Equipment	(0.64)	-
	Operating profit before working capital changes	**431.52**	**298.56**
	Movements in working capital:		
	(Increase) / Decrease in trade receivables	2.29	138.91
	(Increase) / Decrease in inventories	19.17	(40.01)
	(Increase) / Decrease in other financial assets	2.90	(0.12)
	(Increase) / Decrease in other assets	37.89	(106.68)
	Increase / (Decrease) in trade payables	200.34	(91.57)
	Increase /(Decrease) in other payables	300.34	120.92
	Increase / (Decrease) in other financial liabilities	10.03	6.67
	Cash generated from operations :	**1,004.48**	**326.68**
	Direct taxes paid (net)	(94.60)	(70.83)
	Net cash from operating activities (A)	**909.88**	**255.85**
B	**Cash flows from investing activities**		
	Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(300.51)	(229.15)
	Proceeds from sale of Property plant and equipment	2.61	-
	Bank deposits not considered as cash and cash equivalent	(229.00)	(42.22)
	Interest received	19.05	16.86
	Investment in Associates	(2.00)	-
	Net cash (used) in Investing activities (B)	**(509.85)**	**(254.51)**
C	**Cash flow from financing activities :**		
	Receipt of long term borrowings	73.78	-
	(Repayment) of long term borrowings	(118.53)	(2.38)
	Receipt/(Repayment) of Short term borrowings	(57.28)	11.66
	Interest paid	(32.76)	(45.30)
	Dividend Paid	(38.25)	(46.12)
	Net cash (used) in financing activities (C)	**(173.05)**	**(82.13)**
	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**226.97**	**(80.80)**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	Balances with banks in current accounts and deposit account	88.77	169.30
	Cash on hand	2.35	2.62
	CASH AND CASH EQUIVALENTS AS PER NOTE 13	**91.12**	**171.92**
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts and deposit account	317.19	88.77
	Cash on hand	0.90	2.35
	CASH AND CASH EQUIVALENTS AS PER NOTE 13	**318.09**	**91.12**

Note: See accompanying notes referred to above which form an integral part of the Financial Statements.

As per our report of even date

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors
FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

1.2 CORPORATE INFORMATION

POLYMECHPLAST MACHINES LIMITED ('the Company') is into the manufacturing and export of various range of plastic processing machines.

The Financial Statements of the Company for the year ended 31st March, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on 29th May, 2021.

1.3 Basis of Preparation of Financial Statements

i. The Financial statements of the associate used in the consolidation are drawn up to the same reporting date as that of the Polymechplast Machines Limited('the Company') i.e. 31st March, 2021.

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 the relevant amendment rules issued thereafter.

ii. Principles of consolidation

The Consolidated statements consist of the Companyand its associate. The consolidated financial statements have been prepared on the following basis:

Investment and share of profit of associate has been consolidated as per the equity method as per Ind AS 28 – "Investments in Associates" specified under Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules 2015 and relevant amendment rules issued thereafter.

Associate is entity over which the company has significant influence but not control. Investments in associate is accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

iii. Composition of Consolidated Financial Statements

The Consolidated financial statements are drawn up in Indian Rupee, the functional currency, and in accordance with Ind AS presentation. The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Changes in Equity
- Statement of Cash Flow
- Notes to Financial Statements

2. Significant Accounting Policies and Other Explanatory Notes

The Significant Accounting Policies of the company and its associate are similar Refer Note No. 2 of Standalone Financial Statements.

4. Property, Plant and Equipments
'Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Computer	Vehicles	Furniture	Office Equipment	Electrical Installation	Testing Equipment	Pattern Die & Mould	Air Conditioner	Total
Gross carrying amount As at 01-04-2020	**339.82**	**76.89**	**214.85**	**20.58**	**12.00**	**52.38**	**9.34**	**25.01**	**27.01**	**1.96**	**0.19**	**6.49**	**786.52**
Additions	3.24	-	518.05	4.75	18.23	83.90	77.30	2.57	28.59	-	-	21.83	758.45
Disposals	-	-	-	-	-	9.46	-	-	-	-	-	-	9.46
Gross carrying amount As at 31-03-2021	**343.05**	**76.89**	**732.90**	**25.33**	**30.23**	**126.82**	**86.64**	**27.58**	**55.60**	**1.96**	**0.19**	**28.32**	**1,535.51**
Closing accumulated depreciation As at 01-04-2020	**-**	**-**	**38.75**	**9.38**	**10.40**	**36.18**	**6.97**	**18.03**	**10.56**	**1.62**	**-**	**5.14**	**137.03**
Charge for the year	-	-	18.96	2.53	3.65	7.33	4.48	2.34	3.82	-	-	2.91	46.02
On Disposals	-	-	-	-	-	8.77	-	-	-	-	-	-	8.77
Closing accumulated depreciation As at 31-03-2021	**-**	**-**	**57.71**	**11.92**	**14.04**	**34.74**	**11.45**	**20.37**	**14.38**	**1.62**	**-**	**8.05**	**174.29**
Net Carrying Amount:													
As at 31-03-2021	**343.05**	**76.89**	**675.19**	**13.42**	**16.19**	**92.07**	**75.19**	**7.21**	**41.22**	**0.34**	**0.19**	**20.26**	**1,361.22**
As at 31-03-2020	**339.82**	**76.89**	**176.10**	**11.20**	**1.60**	**16.20**	**2.37**	**6.98**	**16.45**	**0.34**	**0.19**	**1.35**	**649.47**

Notes:

(i) Assets pledge as security and other restrictions :

The lease hold Land and Buildings , all movable Plant and Machineries and equipments are pledge as security on to the bankers under a mortgage against the term loans ,cash credit and other facilities availed or to be availed by the company.

The one of the factory office of the company having net value of Rs. 26.07 lakhs has been furnished as security to the satisfaction of the court , in relation to a court case of insurance claim. The Company is not allowed to sell this office building to other entity.

Particulars	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Computer	Vehicles	Furniture	Office Equipment	Electrical Installation	Testing Equipment	Pattern Die & Mould	Air Conditioner	Total
Gross carrying amount As at 01-04-2019	**339.82**	**76.89**	**214.85**	**18.90**	**12.00**	**51.70**	**9.34**	**24.11**	**27.01**	**1.96**	**0.19**	**5.70**	**782.47**
Additions	-	-	-	1.68	-	0.68	-	0.90	-	-	-	0.78	4.04
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount As at 31-03-2020	**339.82**	**76.89**	**214.85**	**20.58**	**12.00**	**52.38**	**9.34**	**25.01**	**27.01**	**1.96**	**0.19**	**6.49**	**786.51**
Closing accumulated depreciation As at 01-04-2019	**-**	**-**	**28.50**	**6.96**	**8.88**	**28.99**	**5.99**	**12.81**	**7.84**	**1.62**	**-**	**4.16**	**105.75**
Charge for the year	-	-	10.25	2.42	1.51	7.19	0.99	5.22	2.73	-	-	0.97	31.29
On Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation As at 31-03-2020	**-**	**-**	**38.75**	**9.38**	**10.40**	**36.18**	**6.97**	**18.03**	**10.56**	**1.62**	**-**	**5.14**	**137.03**
Net Carrying Amount:													
As at 31-03-2020	**339.82**	**76.89**	**176.10**	**11.20**	**1.60**	**16.20**	**2.37**	**6.98**	**16.45**	**0.34**	**0.19**	**1.35**	**649.47**
As at 31-03-2019	**339.82**	**76.89**	**186.34**	**11.93**	**3.12**	**22.72**	**3.36**	**11.31**	**19.18**	**0.34**	**0.19**	**1.54**	**676.72**

Notes:

(i) Assets pledge as security and other restrictions :

The lease hold Land and Buildings , all movable Plant and Machineries and equipments are pledge as security on to the bankers under a mortgage against the term loans ,cash credit and other facilities availed or to be availed by the company.

The one of the factory office of the company having net value of Rs. 26.54 lakhs has been furnished as security to the satisfaction of the court , in relation to a court case of insurance claim. The Company is not allowed to sell this office building to other entity.

5. Capital work-in-progress

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Building Work in Progress	22.88	506.34

Notes:

(i) Borrowing cost capitalized during the year amounts to Rs.6.22 Lakhs (FY 19-20: Rs. 16.00 lakhs)

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

6. Investments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment carried at Cost		
Investment in equity Instruments (Unquoted fully paid up)		
Investment in Associate		
20,000 (PY: Nil) equity shares of Rs. 10 each at fully paid up in Pramukh Medical Devices Private Limited	2.00	-
Share of Associate's Loss	(0.41)	-
	1.59	-
Investments at fair value through other comprehensive income		
Investment in equity Instruments (Unquoted fully paid up)		
4 (PY: 4) Equity shares of Makarpura Industrial Estate Co-operative Bank Ltd.*	0.00	0.00
1(PY: 1) Equity share of Plastics Machinery Manufacturers Association of India *	0.00	0.00
Total	1.59	0.00
Aggregate Value of unquoted investment	1.59	0.00

(*) Value is Nil due to rounding off in lakhs.

7. Loans

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposits		
- Related parties	-	14.16
- Others	26.86	15.04
Total	26.86	**29.20**

8. Other financial assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank deposits with more than 12 months of original maturity *	243.63	210.16
Total	**243.63**	**210.16**

(*) Includes following:

i. Bank deposit under lien of National insurance company Rs. 76.21 lakhs(As at 31st March, 2020 Rs. 76.21 lakhs)
ii. Deposits pledged with government authorities Rs. 1.01 lakhs(As at 31st March 2020 Rs. 0.95 lakhs)

9. Deferred tax assets (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liability	17.18	11.51
Related to Property, Plant and Equipments and Intangible asset		
Total	**17.18**	**11.51**
Deferred Tax Assets		
Expenses allowable u/s 43B of the Income Tax Act, 1961	16.83	11.36
Others	3.99	1.94
Total	**20.81**	**13.30**
Net deferred tax (assets) / liabilities	**(3.63)**	**(1.79)**

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

10. Other Non Current Assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Capital Advance	36.64	11.14
Total	**36.64**	**11.14**

11. Inventories
(At lower of cost and net realizable value)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials & Components	639.49	520.83
Work in Progress	360.34	526.47
Finished Goods	111.84	82.40
Stock in transit	-	1.15
Total	**1,111.68**	**1,130.84**

Notes:
(i) The above inventories are pledge as securities to the bankers against the fund based and non fund based credit limits availed or to be availed by the Company.

12. Trade Receivables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables considered Good-Secured		-
Trade Receivables considered Good-Unsecured		
- Receivable from Related Parties	8.20	25.17
- Others	139.09	141.96
Total	**147.29**	**167.13**
Trade Receivables which have significant increase in credit risk	3.45	8.17
Trade Receivables credit impaired		-
Total	**150.74**	**175.29**
Less : Expected Credit Loss Allowance	(3.23)	(18.14)
Total	**147.51**	**157.15**

Notes:
(i) The above trade receivables are pledge as securities to the bankers against the fund based and non fund based credit limits availed or to be availed by the Company.

13. Cash and cash equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	317.19	88.77
Cash in hand	0.90	2.35
Total	**318.09**	**91.12**

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

14. Bank balances other than above

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Bank Balances		
Term deposits with original maturity for more than 3 months but less than 12 months:		
- Bank deposits.	236.25	47.14
Balances held in capital gain account	-	0.08
Unpaid Dividend	20.49	14.00
Total	**256.74**	**61.22**

15. Loans

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Advances to employees	0.20	0.76
Total	**0.20**	**0.76**

16. Other financials assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest accrued on Fixed deposits	0.12	-
Total	**0.12**	**-**

17. Other current assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Expenses paid in advance	11.23	7.38
Advances to Supplier	95.21	118.13
Balances with government authorities	30.97	44.77
Balance with gratuity fund (refer note no.37)	11.95	0.67
Others	-	17.57
Total	**149.35**	**188.52**

18. Current Tax Asset (Net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Tax Asset (Net)	15.44	9.64
Total	15.44	**9.64**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

19. Share Capital

Authorized Share Capital

Particulars	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	75,00,000	750.00
Increase /(decreased) during the year	-	-
At 31st March 2020	75,00,000	750.00
Increase /(decreased) during the year	-	-
At 31st March 20221	75,00,000	750.00

Issued Share Capital

Particulars	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	**47,81,700**	**478.17**
Increase /(decreased) during the year on account of forfeiture of shares	-	-
At 31st March 2020	**47,81,700**	**478.17**
Increase /(decreased) during the year	-	-
At 31st March 2021	**47,81,700**	**478.17**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Equity Share Capital	Equity Shares	
	No. of Shares	Amount
At 1st April 2019	**47,81,700**	**478.17**
Add: Equity shares issued during the year	-	-
Less: Equity shares bought back during the year	-	-
Less: Equity shares forfeited during the year	-	-
At 31st March 2020	**47,81,700**	**478.17**
Add: Equity shares issued during the year	-	-
Less: Equity shares bought back during the year	-	-
Less: Equity shares forfeited during the year	-	-
At 31st March 2021	**47,81,700**	**478.17**

Terms/Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any remaining assets of the company, after distribution of all preferential amounts and repayment towards Preference share holders, if any.

Shares held by shareholders each holding more than 5% of the shares

Shareholders	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
Meetaben Himmatlal Bhuva	273,950	5.73%	273,950	5.73%
Mahendra Ravjibhai Bhuva	648,742	13.57%	270,943	5.67%
Hansaben Mahendrabhai Bhuva	441,653	9.24%	270,600	5.66%
Himmatbhai Parsottambhai Bhuva	377,650	7.90%	272,650	5.70%

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

20. Other Equity

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital reserve- on account of share forfeiture	49.49	49.49
Retained Earnings	1,092.49	853.14
Total	**1141.98**	**902.63**

Other Equity	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve		
Balance as per last Balance Sheet	49.49	49.49
Add: On account of forfeiture of share	-	-
	49.49	**49.49**
Retained Earnings		
As per last Balance Sheet	853.14	729.32
Add: Profit for the year	277.76	171.78
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	(0.15)	(1.84)
Less:Dividend on Equity shares including tax thereon	(38.25)	(46.12)
	1,092.50	**853.14**
Total	**1141.99**	**902.63**

21. Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - at amortized cost		
Term Loans		
- from Banks (Refer note (i) and (ii))	49.41	108.00
Total	**49.41**	**108.00**

(i) Nature of security:

- The term loans are in nature of construction of office building loan and vehicle loan and are secured against the Property at plot no 764, 773, 774, 775 and 776 at GIDC, Makarpura, Vadodara and the vehicle purchased respectively.

(ii) Maturity profile of Secured Term loans are set out below:

(*) Interest rate range from 7.55 % to 9.55 %

Particulars	Term loan - from banks
1-2 Years	17.76
2-3 Years	17.76
3-4 Years	13.88

22. Borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured - at amortized cost		
Loans repayable on demand (Refer Note (i))		
- From banks (Cash Credit)	391.76	492.04
- Overdraft against Fixed deposits	43.00	-
Total	**434.76**	**492.04**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

(i) Nature of security:

The above cash credit facility from Indian Overseas Bank is secured By Stock & Book Debts and further secured by equitable mortgage of Factory Land, Building and Industrial Shed. Moreover, 2 Directors have given personal guarantee for the said loan. The loan is at the Interest rate of 9.55%.

23. Trade Payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade payables		
Total outstanding due of micro enterprises and small enterprise (refer note no.41)	203.15	105.12
Total Outstanding dues of creditors other than micro enterprise and small enterprises	442.62	340.31
Total	**645.77**	**445.43**

24. Other financial liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debt [refer note 19 (i) and (ii) above]	53.69	39.86
Other expenses payable	13.76	10.21
Unpaid Dividends*	20.49	14.00
Total	**87.94**	**64.07**

(*) To be deposited with Investor Education and Protection Fund as when they became due.

25. Other current liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers	671.22	451.38
Statutory dues payable	61.34	8.18
Salary & Wages Payable	52.72	30.63
Capital advance received	13.00	5.00
Total	**798.28**	**495.19**

26. Provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
- Provision for compensated absences (refer note 37)	26.42	25.38
- Provision for Bonus/exgratia	20.24	19.74
Other Provisions		
- Warranties (refer note 36)	12.61	16.70
Total	**59.27**	**61.82**

27. Revenue from Operations

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sale of product	6,080.03	4,378.55
Sale of Services	9.32	12.56
Total	**6,089.35**	**4,391.12**

Disaggregation of revenue

Revenue based on Geography

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sale of product		
- Domestic Sales	5,951.26	4,032.14
- Export Sales	128.77	346.42

28. Other Income

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest Income	19.16	16.86
Net gain on foreign currency transactions/translations	2.83	6.19
Other Non-Operating Income (net of expenses)	30.80	6.22
Total	**52.79**	**29.26**

Details of Interest Income	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest income comprises:(measured at ammortised cost)		
Interest from Banks on fixed deposits	18.96	16.85
Interest capital gain account	0.00	0.00
Other Interest	0.20	
Total - Interest income	**19.16**	**16.86**

(*) Value is Nil due to rounding off in lakhs.

Details of Other Non - Operating Income	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Other non-operating income comprises:		
Export Incentives	13.54	4.95
Gain on sale of Asset	0.64	-
Reversal on account of Expected Credit Loss Allowance	14.91	-
Other miscellaneous income	1.71	1.27
Total - Other non-operating income	**30.80**	**6.22**

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

29. Cost of materials consumed

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Raw Material Consumption		
Opening Stock	520.83	577.92
Add: Purchases	4,411.40	3,080.92
	4,932.23	**3,658.84**
Less: Closing stock	639.49	520.83
Cost of Material Consumed	**4,292.74**	**3,138.01**
Total	**4,292.74**	**3,138.01**

30. Changes in Inventories of finished goods and Work in Progress

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Inventories at the beginning of the year:		
Finished Goods	82.40	78.97
Semi Finished Goods	526.47	433.95
	608.87	**512.91**
Inventories at the end of the year:		
Finished Goods	111.84	82.40
Semi Finished Goods	360.34	526.47
	472.18	**608.87**
Net Change in Inventories	**136.68**	**(95.95)**

31. Employee Benefit expenses

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Salaries, wages , bonus, exgratia, allowances ,etc.	500.68	469.17
Contributions to Provident Fund and Other Funds	28.79	30.87
Staff welfare expenses	7.43	3.19
Total	**536.90**	**503.23**

32. Finance Costs

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Interest costs:		
(i) Interest on borrowings	30.33	39.99
(ii) Others (*)	-	0.00
Other borrowing costs	2.43	5.30
Total	**32.76**	**45.30**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

33. Other Expenses

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Power and Fuel	21.81	16.22
Labour Charges	425.68	295.78
Repairs and maintenance :		
- on machinery	5.36	4.29
- others	9.00	7.07
Rates and taxes	3.42	1.88
Rent Expenses (refer note no. 40)	8.99	1.44
Consultancy charges	18.52	9.07
Auditor's Remuneration	4.96	2.91
Travelling and conveyance	19.68	26.77
Insurance	5.81	3.71
Selling and distribution expenditure	1.57	35.26
Freight Expenses	102.22	79.98
Sales Commission	13.72	6.27
Bad debts/advances written off	22.26	-
Loss allowance(refer note no. 43(A)(ii))	-	3.32
Donation	9.95	7.53
Miscellaneous expenses	58.89	61.51
Total	**731.86**	**563.00**

(i) Auditor's Remuneration

	Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(i)	**Payments to the statutory auditors comprises:**		
	Statutory audit (Including limited review)	2.30	1.30
	Tax audit	0.50	0.50
	GST Audit	1.50	0.60
	Other Services	0.66	0.51
	Total	**4.96**	**2.91**

34. TAX EXPENSE

	Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a)	**Income tax expense**		
	Current tax		
	Current tax on profits for the year	87.69	60.06
	Income Tax adjustments for earlier years	1.11	(0.68)
		88.80	59.37
	Deferred tax		
	Deferred tax for the year	(1.79)	4.36
		(1.79)	4.36
		87.01	**63.73**
(b)	**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate**		
	Profit before income tax expense	365.18	235.51
	Tax at the Indian tax rate of 25.168% (2019-20 – 25.168%)	91.91	59.27
	Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
	Non-deductible tax expenses	3.22	14.94
	Deductible tax expenses	(8.12)	(10.49)
	Income Tax Expense	**87.01**	**63.73**

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

35. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of Company	**March 31, 2021**	**March 31, 2020**
Profit attributable to equity holders of the Company for basic and diluted earnings per share	**277.76**	**171.78**
ii. Weighted average number of ordinary shares	**March 31, 2021**	**March 31, 2020**
Weighted average number of shares at March 31 for basic and diluted earnings per shares	**4,781,700**	**47,81,700**
Basic earnings per share (in Rs.)	**5.81**	**3.59**

36. Disclosure relating to Provision

Provision for warranty

Warranty cost are provided based on a technical estimated of the costs required to be incurred for repairs, replacement, material cost, servicing and past experience in respect of warranty costs. It is expected that this expenditure will be incurred over the contractual warranty period

The movement in the above provision are summarized below:

Particulars	**Warranty**	
	2020-2021	**2019-2020**
Balance as at 1st April, 2020	16.70	12.31
Provision:		
Created	2.74	13.89
Utilized	6.83	9.50
Balance as at 31st March, 2021	**12.62**	**16.70**

37. Employee benefits

[A] Defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded. The following tables summaries the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Risks associated with defined benefit plan

Interest rate risk: A fall in the discount rate which is linked to the Government Securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2021

a) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
PVO at the beginning of the year	112.22	104.29
Current service cost	3.04	2.63
Interest cost	7.68	7.89
Past Service cost	5.53	-
Actuarial (Gains)/Losses on obligations- Due to Change in Financial Assumption	(0.20)	3.62
Actuarial (Gains)/Losses on obligations- Due to Experience	0.26	(0.84)
Actuarial (Gains)/Losses on obligations- Due to Demographic Assumptions	-	-
Benefit Paid directly by the employer	(20.00)	-
Benefits paid	(3.97)	(5.37)
PVO at the end of the year	**104.56**	**112.22**

b) Change in fair value of plan assets:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
Fair value of plan assets at the beginning of the year	112.89	83.18
Interest Income	7.72	6.30
Return on Plan Assets, Excluding Interest Income	(0.13)	0.33
Contributions by the employer	-	28.46
(Benefits paid from the Fund)	(3.97)	(5.37)
Fair value of plan assets at the end of the year	**116.51**	**112.89**

c) Reconciliation of PVO and fair value of plan assets:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
PVO at the end of period	(104.56)	(112.22)
Fair value of planned assets at the end of year	116.51	112.89
Funded status	11.95	0.67
Net asset/(liability) recognized in the balance sheet	**11.95**	**0.67**

Net Interest Cost for Current Period	31/03/2021	31/03/2020
Present Value of Benefit Obligation at the Beginning of the Period	112.22	104.29
(Fair Value of Plan Assets at the Beginning of the Period	(112.89)	(83.18)
Net Liability/ (Asset) at the Beginning	(0.67)	21.11
Interest cost	7.68	7.89
(Interest Income)	(7.72)	(6.30)
Net Interest Cost for Current Period	**(0.05)**	**1.60**

Expenses Recognized in the Statement of Profit or Loss for Current Period	31/03/2021	31/03/2020
Current Service Cost	3.04	2.63
Net Interest Cost	(0.05)	1.60
Past Service Cost	5.53	0.00
Expenses Recognized	**8.52**	**4.22**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	31/03/2021	31/03/2020
Actuarial (Gains) Losses on Obligation for the Period	0.07	2.78
Return on Plan Assets, Excluding Interest Income	0.13	(0.33)
Net (Income)/ Expense For the Period Recognized in OCI	**0.20**	**2.46**

Balance Sheet Reconciliation	31/03/2021	31/03/2020
Opening Net Liability	(0.67)	21.12
Expense Recognized in Statement of Profit Or Loss	8.52	4.22
Expense Recognized in OCI	0.20	2.46
Benefit Paid Directly by the Employer	(20.00)	-
(Employer's Contribution)	-	(28.47)
Net Liability (Assets) Recognized in the Balance Sheet	**(11.95)**	**(0.67)**

Category of Assets	31/03/2021	31/03/2020
Insurance Fund	116.51	112.89
Total	**116.51**	**112.89**

Other Details	Current Period	Previous Period
No of Active Members	93.00	54.00
Per Month Salary for Active Members (Rs in Lakhs)	13.29	11.50
Weighted Average Duration of the Projected Benefit Obligation	8.00	6.00
Average Expected Future Service	15.00	11.00
Projected Benefit Obligation	104.56	112.22
Prescribed Contribution for Next Year (12 Months) (Rs in Lakhs)	-	2.37

Net Interest Cost for Next Year	Current Period	Previous Period
Present Value of Benefit Obligation at the End of the Period	104.56	112.22
(Fair Value of Plan Assets at the End of the Period)	(116.51)	(112.89)
Net Liability/(Asset) at the End of the Period	(11.95)	(0.67)
Interest Cost	7.18	7.68
(Interest Income)	(8.00)	(7.72)
Net Interest Cost for Next Year	**(0.82)**	**(0.05)**

Expenses Recognized in the statement of Profit or Loss for Next Year	Current Period	Previous Period
Current Service Cost	5.27	3.04
Net Interest	(0.82)	(0.05)
Expenses Recognized	4.45	3.00

g) Major category of assets as at:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
Insurer Managed funds	116.51	112.89

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
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h) Assumption used in accounting for the gratuity plan:	Gratuity - Funded as on	
	31/03/2021	31/03/2020
f) Major Actuarial Assumptions		
Expected return on plan assets (%)	6.87%	6.84%
Rate of Discounting	6.87%	6.84%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	**0.02**	**0.02**
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate after Employment	N.A	N.A

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Note 3: 100% of the plan assets are invested in group gratuity scheme offered by LIC of India.

Maturity Analysis of the Benefit Payments :From the Fund	31/03/2021	31/03/2020
1st Following Year	5.61	26.20
2nd Following Year	9.41	2.68
3rd Following Year	26.51	11.37
4th Following Year	23.99	24.76
5th Following Year	3.63	22.47
Sum of Years 6 to 10	34.16	19.64
Sum of Years 11 and above	93.32	68.61

Sensitivity analysis

Particulars	31/03/2021	31/03/2020
Projected Benefit Obligation on Current Assumptions	104.56	112.22
Delta Effect of +1 % Change in Rate of Discounting	(6.09)	(5.08)
Delta Effect of -1 % Change in Rate of Discounting	7.12	5.75
Delta Effect of +1 % Change in Rate of Salary Increase	6.26	4.71
Delta Effect of -1 % Change in Rate of Salary Increase	(5.37)	(4.16)
Delta Effect of +1 % Change in Rate of Employee Turnover	(0.05)	0.12
Delta Effect of -1 % Change in Rate of Employee Turnover	0.06	(0.12)

The sensitivity analysis 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.

The sensitivity analysis presented above may not be representative of the actual change in the projected 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. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
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Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

Particulars	31/03/2021	31/03/2020
Total employee benefit liabilities		
Non-Current	(11.95)	(0.67)

(b) Other long term Benefit:

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to , policy of maximum leave accumulation of company. The scheme is not funded.

Changes in the present value of the obligation in respect of leave encashment

Particulars	31/03/2021	31/03/2020
Obligation at the year beginning	25.38	21.98
Provision during the year	1.04	3.39
Obligation at the year end	**26.42**	**25.38**

(c) Defined Contribution plans:

Amounts recognized as expense for the period towards contribution to the following funds:

Particulars	31/03/2021	31/03/2020
Employers contribution to:		
- Provident Fund and Pension Fund	26.43	28.22
- Employee State Insurance (ESI)	2.51	2.65
- Gujarat Labour Welfare Fund	0.02	0.02
Total	**28.97**	**30.89**

38. Related party transactions

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

a. Name of the related party and nature of relationship: -

Sr No	Particulars	Relationship
I	**Key Managerial Personnel / Directors:**	
	Mr. K. R. Bhuva	Chairman (upto 18.01.2021) Managing Director (upto 11.02.2021) Chairman (w.e.f 11.02.2021)
	Mr. M. R. Bhuva	Executive Director (Upto 11.02.2021) Executive Director
	Mr. H. P. Bhuva	Independent Director
	Mrs. H. D. Pathak	Independent Director
	Mr. A.N. Shah	Chief Financial Officer
	Mr. D. K. Punjabi	Company Secretary
	Ms. Gauri Y Bapat	
II	Enterprises in which Management or Relatives of Key Managerial Personnel having significance influence	Plastomech Equipments Pvt Ltd.
II	Associate Company	Pramukh Medical Devices Pvt. Ltd.

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All Amounts Are In Rs. Lakhs Unless Otherwise Stated

b) Key management personnel compensation:-

Particulars	31/03/2021	31/03/2020
Short term employee benefits	91.93	96.69
Post employment benefits accumulated till date	68.17	69.08
Total compensation	**160.10**	**165.78**

c) Transaction with related parties

Name of Party	Nature of Transaction	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Mr. K. R. Bhuva	Managerial Remuneration	23.23	28.86
Mr. M. R. Bhuva	Managerial Remuneration	28.84	28.69
Mr. H. P. Bhuva	Managerial Remuneration	28.85	28.70
Mr. D. K. Punjabi	Salary	5.18	4.95
Ms. Gauri Y Bapat	Salary	5.83	5.49
Plastomech Equipments Pvt Ltd.	Sales of goods	-	0.24
Plastomech Equipments Pvt Ltd.	Purchase of goods	16.54	-
Pramukh Medical Devices Pvt. Ltd.	Investment in Assocites	2.00	-
Pramukh Medical Devices Pvt. Ltd.	Rent Expense	0.20	-
Pramukh Medical Devices Pvt. Ltd.	Purchase of goods	0.99	-

d) Balance outstanding as at the end of the period

For the period ended on	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Plastomech Equipments Pvt Ltd.		
Trade Receivables	8.18	25.17
Security deposits	-	14.16

39 Additional information to the financial statements
Contingent Liabilities and Capital Commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Contingent Liabilities		
(i) Claims against the company not acknowledged as debts (on account of outstanding law suits)	176.86	176.86
(ii) Guarantees given by Banks to third parties on behalf of the company		-
(b) No provision has been made for following demands raised by the authorities since the company has reason to believe that it would get relief at the appellate stage as the said demand are excessive and erroneous		
(i) Disputed Income tax Liability	9.95	39.50
Total	**186.81**	**216.36**
(c) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)		
- Property plant and equipment	144.29	128.04

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40. Disclosure pursuant Leases:

As Lessee

Short term Leases

The Company has obtained premises for its business operations under Short term leases.

Lease payments are recognised in Statement of Profit and Loss under the head "Rent Expense" in note no 33.

41. Disclosure related to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Outstanding dues to micro and small enterprises

Particulars		As at 31st March, 2021	As at 31st March, 2020
(a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year - Principal Amount - Interest Due thereon	 203.15 Nil	 105.12 Nil
(B)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

42. FAIR VALUE MEASUREMENTS

Financial instruments by category

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Investments	-	-	1.59	-	-	0.00
Deposits	-	-	26.86	-	-	29.20
Trade Receivables	-	-	147.51	-	-	157.15
Cash and Cash Equivalents	-	-	318.09	-	-	91.12
Bank Balances other than above	-	-	256.74	-	-	61.22
Loan to Employees	-	-	0.20	-	-	0.76
Other Financial Assets	-	-	243.75	-	-	210.16

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All Amounts Are In Rs. Lakhs Unless Otherwise Stated

Total Financial Assets	**-**	**-**	**994.75**	**-**		**549.61**
Financial Liabilities						
Other current financial Liabilities	-	-	87.94	-	-	64.07
Borrowings	-	-	484.17	-	-	600.04
Trade payables	-	-	645.77	-	-	445.43
Total Financial Liabilities	**-**	-	**1,217.88**	**-**		**1,109.54**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 accounting standard. An explanation of each level follows underneath the table.

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at March 31, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost					
Deposits	7	-	26.86	-	26.86
Total Financial Assets		-	26.86	-	26.86
Financial Liabilities at amortized cost					
Financial Liabilities- Borrowings non- current)	21	-	49.41	-	49.41
Total Financial Liabilities		-	**49.41**	-	**49.41**

As at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial Assets at amortized cost					
Deposits	7	-	29.20	-	29.20
Total Financial Assets		-	**29.20**	-	**29.20**
Financial Liabilities at amortized cost					
Financial Liabilities- Borrowings non- current)	21	-	108.00	-	108.00
Total Financial Liabilities		-	**108.00**	-	**108.00**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes commodities, listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market 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.

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

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
'- the use of quoted market prices or dealer quotes for similar instruments
'- the fair value of the remaining financial instruments is determined using discounted analysis.

All of the resulting fair value estimates are included in level 1 or 2 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counter party or own credit risk.

The carrying amounts of trade receivables, employee advances, cash and cash equivalents, bank fixed deposits and other short term receivables, trade payables, capital creditors and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

43. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has 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. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

(i) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

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

i) Actual or expected significant adverse changes in business;

ii) Actual or expected significant changes in the operating results of the counterparty;

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

iv) Significant increase in credit risk on other financial instruments of the same counterparty;

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired

(ii) Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Reconciliation of loss allowance provision – Trade receivables

Particular	Amount
Loss allowance on April 1, 2019	14.82
Changes in loss allowance	3.32
Loss allowance on April 1, 2020	18.14
Changes in loss allowance	(14.91)
Loss allowance on March 31, 2021	3.23

(iii) Loans and advances

In the case loans to employees, the same is managed by establishing limit. (Which in turn based on the emplyoees salaries and numbers of years of services put in by the concern employees)

(iv) Security Deposites

Security Deposites are refundable and recoverable and there is no significant increased in credit risk

(v) Other Financials Assets

Other Financials Assets are cosidered to be to be of good quality and there is no significant increased in credit risk

(vi) Cash and cash equivalents

As at the year end, the Company held cash and cash equivalents of Rs. 318.09 lakhs (31.03.2020, Rs. 91.12 lakhs,). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The company has long term borrowings in nature of Term loans from Banks. The company also has short term cash credit and other non fund based borrowings facilities .

(ii) Maturities of financial liabilities

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2021			
Non-derivatives			
Borrowings	488.45	49.41	537.86
Trade payables	645.77	-	645.77
Other Financial Liabilities	34.25	-	34.25
Total Non-derivative liabilities	**1168.47**	**49.41**	**1217.88**
As at March 31, 2020			
Non-derivatives			
Borrowings	531.90	108.00	639.90
Trade payables	445.43	-	445.43
Other Financial Liabilities	24.22	-	24.22
Total Non-derivative liabilities	**1001.54**	**108.00**	**1109.54**

(C) Market risk

(i) Foreign currency risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The risk is measured through a forecast of foreign currency for the Company's operations.

The Companies exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Currency	As at March 31, 2021			As at March 31, 2020		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
IN USD	464.94	-	464.94	224.94	-	224.94
IN EURO	-	-	-	-	-	-
INR- Equivalent(Rs. In Lakhs)	0.34	-	0.34	0.17	-	0.17

Currency	As at March 31, 2021			As at March 31, 2020		
	Trade Payable	Hedges available	Net exposure to foreign currency risk	Trade Payable	Hedges available	Net exposure to foreign currency risk
IN USD	-	-	-		-	-
IN EURO	-	-	-		-	-
INR- Equivalent(Rs. In Lakhs)	-	-	-		-	-

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhegded foreign currency denominated financial instruments.

Particulars	Impact on profit after tax	
	March 31, 2021	March 31, 2020
USD sensitivity(In USD)		
INR/USD increases by 5%	0.02	0.01
INR/USD decreases by 5%	(0.02)	(0.01)

Notes To Consolidated Financial Statements For The Year Ended 31st March,2021
All Amounts Are In Rs. Lakhs Unless Otherwise Stated

44. CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital are to:

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

Capital Management

For the purpose of Company's Capital Management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimize returns to the share holders and make adjustments to it in light of changes in economic conditions or its business requirements. The Company's objective is to safe guard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to share holders through continuing growth and maximize the share holders value. The Company funds its operations through internal accruals and long term borrowings competitive rate. The Management and Board of Directors monitor the return of capital as well as the level of dividend to share holders.

45. Event after reporting Period

(i) Proposed dividend on Equity Shares:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Proposed dividend on Equity Shares : Proposed dividend is Rs.1/- per share for the year ended on 31st March, 2021: (Previous year 31st March, 2020 : Rs. 00.80 /- per share)	47.82	38.25
	47.82	**38.25**

This proposed dividend are subject to the approval of shareholders in the ensuing annual general meeting and therefore are not recognised as liability at year end.

46. The Company has evaluated the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amount of inventories, receivables and other assets. The Company does not foresee any material impact on liquidity and assumption of going concern.

47. The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 29th May, 2021. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

48. The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

The accompanying notes (1 to 48) are an integral part of the financial statements.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/100036W

Alok Shah
(Partner)
Membership No 42005

Date : 29th May, 2021

For and on behalf of the Board of Directors
FOR POLYMECHPLAST MACHINES LTD.

M. R. Bhuva
Chairman
(DIN:00054562)

H. P. Bhuva
Director
(DIN:00054580)

Gauri Y. Bapat
Company Secretary
(ACS 22782)

D. K. Punjabi
Chief Financial Officer

Place : Vadodara

Book-Post

If Undelivered Please return to :

POLYMECHPLAST MACHINES LIMITED

Regd. Office : "Gold Coin House"

Plot No. 776, G.I.D.C., Makarpura,

Vadodara - 390 010. GUJARAT, INDIA