

Independent Auditor's Report on Audited Quarterly Financial Results and Year to Date Results of the Polymcechplast Machines Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**TO THE BOARD OF DIRECTORS OF
POLYMCECHPLAST MACHINES LIMITED**

Report on the audit of the Financial Results

Opinion

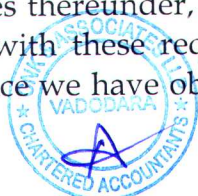
We have audited the accompanying statement of financial results of Polymcechplast Machines Limited (the company) for quarter and year ended 31st March, 2020 (the "Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter and year ended 31st March, 2020.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 ethical requirements that are relevant to our audit of the financial results under the provisions of the Act 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.



Management's Responsibilities for the Financial Results

The statement has been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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 financial results, 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to 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 in the financial results made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Other matter

The Statement includes the results for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of full financial year ended 31st march, 2020 and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For **CNK & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036



A circular blue stamp of CNK & Associates LLP, Vadodara, Chartered Accountants. The stamp contains the text "CNK & ASSOCIATES LLP", "VADODARA", and "CHARTERED ACCOUNTANTS".

Alok Shah

Partner

Membership No. 042005

Place: Vadodara

Date: 29th June, 2020

UDIN: 20042005AAAAGU7352

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

(Rs in Lakhs)

| Sr. No | Particulars | [Audited] | [Unaudited] | [Audited] | [Audited] | [Audited] |
|--------|---|-----------------------------------|---|-----------------------------------|--------------------------------|--------------------------------|
| | | Quarter ended 31st March, 2020 | Quarter ended 31st December, 2019 | Quarter Ended 31st March, 2019 | Year Ended 31st March, 2020 | Year Ended 31st March, 2019 |
| 1 | Revenue | | | | | |
| (a) | Revenue from operations | 1182.79 | 1258.61 | 1752.84 | 4391.12 | 5450.65 |
| (b) | Other Income | 5.15 | 6.75 | 2.84 | 29.26 | 30.27 |
| | Total Income | 1187.95 | 1265.37 | 1755.67 | 4420.38 | 5480.91 |
| 2 | Expenses | | | | | |
| (a) | Cost of materials consumed | 852.14 | 768.58 | 1281.66 | 3138.01 | 4084.54 |
| (b) | Changes in inventories of finished goods, work - in-progress and stock -in- trade | (26.63) | 108.24 | 102.14 | (95.95) | (252.77) |
| (c) | Employee benefits expense | 106.61 | 138.51 | 108.52 | 503.23 | 485.51 |
| (d) | Finance Costs | 12.87 | 10.01 | 11.21 | 45.30 | 44.50 |
| (e) | Depreciation and amortization expense | 3.55 | 9.56 | 9.66 | 31.29 | 37.87 |
| (f) | Other expenses | 174.47 | 125.79 | 199.32 | 563.00 | 773.08 |
| | Total expenses (2a to 2f) | 1123.01 | 1160.69 | 1712.50 | 4184.88 | 5172.73 |
| 3 | Profit/(Loss) before tax (1-2) | 64.94 | 104.67 | 43.17 | 235.51 | 308.18 |
| 4 | Tax expense | | | | | |
| | Current tax | 12.12 | 29.12 | 16.82 | 60.06 | 93.29 |
| | Deferred tax | 8.15 | (2.30) | (12.55) | 4.36 | (6.79) |
| | Income tax adjustments relating to earlier year | - | - | 0.89 | (0.68) | 2.25 |
| | Total tax expenses | 20.26 | 26.82 | 5.15 | 63.73 | 88.76 |
| 5 | Net Profit/ (Loss) for the period (3-4) | 44.68 | 77.86 | 38.02 | 171.78 | 219.42 |
| 6 | Other Comprehensive income ("OCI"): | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | |
| a. | - Remeasurement of Defined benefit plans | (2.23) | (0.06) | (4.37) | (2.46) | 0.41 |
| | Income tax relating to items that will not be reclassified to profit or loss | | | | | |
| b. | - Remeasurement of Defined benefit plans | 0.55 | 0.02 | 1.21 | 0.62 | (0.11) |
| 6 | Other comprehensive income for the year, net of taxes | (1.67) | (0.05) | (3.15) | (1.84) | 0.30 |
| 7 | Total Comprehensive Income for the period (5+6) | 43.01 | 77.81 | 34.87 | 169.94 | 219.13 |
| 8 | Earnings per share (of Rs. 10/- each) (not annualized): | | | | | |
| (a) | Basic | 0.93 | 1.63 | 0.80 | 3.59 | 4.59 |
| (b) | Diluted | 0.93 | 1.63 | 0.80 | 3.59 | 4.59 |

Notes :

- The above audited results for quarter and year ended 31st March, 2020 are recommended by Audit Committee and approved by the Board of Directors at its meeting held on 29th June, 2020.
- The Board of directors has recommended Dividend at the rate of 8% i.e. Rs. 0.80 per equity share for the year ended 31st March, 2020. The said recommended dividend is subject to approval of members of the company at the forthcoming Annual General Meeting.
- The activities of the Company relate to only one segment i.e. manufacturing of plastic processing machines.
- Effective from 1st April, 2019, the company has adopted Ind AS 116 Lease. The adoption of the standard did not have any material impact on the financial result.
- 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.
- The figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary to confirm to the figures represented in the current period.

Date: 29th June, 2020
 Place: Vadodara



For and on behalf of the Board of Directors
 FOR POLYMECHPLAST MACHINES LIMITED

(Signature)
 Mahendra R. Bhuvra
 Executive Director



POLYMECHPLAST MACHINES LIMITED

Regd. Office : 775, G.I.D.C., Makarpura, Vadodara - 390 010.

Email id: pmlajs@polymechplast.com , Website: www.polymechplast.com

CIN: L27310GJ1987PLC009517

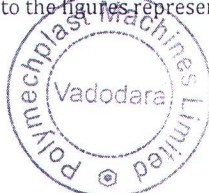
Ph # : (0265) 2632210

STATEMENT OF ASSETS AND LIABILITY AS AT 31ST MARCH 2020

(Rs. in Lakhs)

| Sr. No. | Particulars | As on 31st March, 2020 | As on 31st March, 2019 |
|---------|---|---------------------------|---------------------------|
| | | [Audited] | [Audited] |
| | ASSETS | | |
| (1) | Non-current Assets | | |
| | (a) Property, Plant and Equipment | 649.47 | 676.72 |
| | (b) Capital work-in-progress | 506.34 | 281.23 |
| | (c) <u>Financial Assets</u> | | |
| | (i) Investments | 0.00 | 0.00 |
| | (ii) Loans | 29.20 | 29.07 |
| | (iii) Other financial assets | 210.16 | 174.44 |
| | (d) Deferred tax assets(net) | 1.79 | 5.53 |
| (2) | Current assets | | |
| | (a) Inventories | 1130.84 | 1090.83 |
| | (b) <u>Financial Assets</u> | | |
| | (i) Trade receivables | 157.15 | 299.38 |
| | (ii) Cash and cash equivalents | 91.12 | 171.92 |
| | (iii) Bank balances other than (ii) above | 61.22 | 54.71 |
| | (iv) Loans | 0.76 | 0.78 |
| | (c) Other current assets | 199.66 | 92.96 |
| | d) Current Tax Asset (Net) | 9.64 | - |
| | Total Assets | 3047.35 | 2877.58 |
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | (a) Equity Share capital | 478.17 | 478.17 |
| | (b) Other Equity | 902.63 | 778.81 |
| | Total equity attributable to equity holders of the Company | 1380.80 | 1256.98 |
| (1) | LIABILITIES | | |
| | Non-Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 108.00 | 105.57 |
| | (b) Provisions | - | 21.11 |
| (2) | Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 492.04 | 480.38 |
| | (ii) Trade payables | | |
| | (A) Total outstanding dues of micro enterprises and small enterprise | 105.12 | 101.79 |
| | (B) Total Outstanding dues of creditors other than micro enterprise and small enterprises | 340.31 | 435.20 |
| | (iii) Other financial liabilities | 64.07 | 62.22 |
| | (b) Other current liabilities | 495.19 | 359.17 |
| | (c) Provisions | 61.82 | 53.35 |
| | (d) Current Tax Liabilities (Net) | - | 1.82 |
| | Total Liabilities | 1666.55 | 1620.60 |
| | Total Equity and Liabilities | 3047.35 | 2877.58 |

Notes : The figures for the corresponding previous periods have been regrouped/ reclassified wherever considered necessary to confirm to the figures represented in the current period.



For and on behalf of the Board of Directors
FOR POLYMECHPLAST MACHINES LIMITED

Mahendra R. Bhuva

Date: 29th June, 2020
Place: Vadodara

Executive Director

POLYMECHPLAST MACHINES LIMITED

Regd. Office : 775, G.I.D.C., Makarpura, Vadodara - 390 010.

Email id: pmlajs@polymechplast.com , Website: www.polymechplast.com

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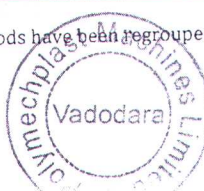
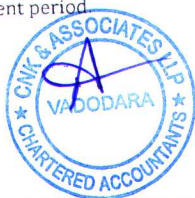
Ph # : (0265) 2632210

Statement of Cash Flows for the year ended 31st March, 2020

(Rs. in Lakhs)

| | Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|----------|--|-------------------------------------|-------------------------------------|
| | | [Audited] | [Audited] |
| A | Cash flow from operating activities | 235.51 | 308.18 |
| | Profit before income tax | | |
| | Adjustments for : | | |
| | Depreciation and amortization expense | 31.29 | 37.87 |
| | Interest Income | (16.86) | (14.82) |
| | Finance Cost | 45.30 | 44.50 |
| | Allowance for doubtful debts (Expected Credit Loss Allowance) | 3.32 | 2.39 |
| | (Gain) / Loss on disposal of Property, Plant and Equipment | - | 0.18 |
| | Fair valuation of other financial assets through FVTPL | - | (0.54) |
| | Operating profit before working capital changes | 298.56 | 377.76 |
| | Movements in working capital: | | |
| | (Increase) / Decrease in trade receivables | 138.91 | 15.93 |
| | (Increase) / Decrease in inventories | (40.01) | (394.01) |
| | (Increase) / Decrease in other financial assets | (0.12) | (5.25) |
| | (Increase) / Decrease in other current assets | (106.68) | 50.99 |
| | Increase / (Decrease) in trade payables | (91.57) | 316.07 |
| | Increase / (Decrease) in other payables | 120.92 | (118.83) |
| | Increase / Decrease in other financial liabilities | 6.67 | (0.46) |
| | Cash generated from operations : | 326.68 | 242.20 |
| | Direct taxes paid (net) | (70.83) | (111.86) |
| | Net cash from operating activities (A) | 255.85 | 130.33 |
| B | Cash flows from investing activities | (229.15) | (209.54) |
| | Payment for property, plant and equipment (PPE) (including Capital work-in-progress) | - | 0.15 |
| | Proceeds from sale of Property plant and equipment | (42.22) | (26.55) |
| | Bank deposits not considered as cash and cash equivalent | 16.86 | 25.68 |
| | Interest received | - | - |
| | Net cash (used) in Investing activities (B) | (254.51) | (210.28) |
| C | Cash flow from financing activities : | | |
| | Receipt/(Repayment) of long term borrowings | (2.38) | 130.98 |
| | Receipt/(Repayment) of Short term borrowings | 11.66 | (112.88) |
| | Interest paid | (45.30) | (44.50) |
| | Dividend Paid | (46.12) | (46.12) |
| | Net cash (used) in financing activities (C) | (82.13) | (72.52) |
| | NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)] | (80.80) | (152.47) |
| | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | |
| | Balances with banks in current accounts and deposit account | 169.30 | 323.15 |
| | Cash on hand | 2.62 | 1.24 |
| | CASH AND CASH EQUIVALENTS | 171.92 | 324.39 |
| | CASH AND CASH EQUIVALENTS AT THE END 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 | 91.12 | 171.92 |

Notes : The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to confirm to the figures represented in the current period.



FOR POLYMECHPLAST MACHINES LIMITED

Mahendra R. Bhuvra
Executive Director

Date: 29th June, 2020
Place: Vadodara