

## **POLYCHEM LIMITED**

CIN: L24100MH1955PLC009663

REGD. OFFICE: 7. JAMSHEDJI TATAROAD. CHURCHGATE RECLAMATION. MUMBAI-400 020

Ph: 022 - 2282 0048, Fax: 022 - 2285 0606

E-mail: [polychemltd@kilachand.com](mailto:polychemltd@kilachand.com) , Website: [www.polychemltd.com](http://www.polychemltd.com)

**Date: 11.07.2020**

**To**  
**Head Listing Compliance**  
**Bombay Stock Exchange Ltd.**  
**PhirozeJeejeebhoy Towers,**  
**Dalal Street, Mumbai - 400 001**

**Company Code – 506605**

Dear Sir/Ma'am,

**Sub: Outcome of Board Meeting in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

1. The Board of Directors of their Company at their meeting held today, have inter alia, approved the following:
  - a) Audited Standalone and Consolidated financial results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.
  - b) Payment of dividend of Rs. 12.5/- per share of Rs 10/- each i.e 125% on the Equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2020, subject to the approval of shareholders at the ensuing 63<sup>rd</sup> AGM.
  
2. Accordingly, please find enclosed the following:
  - a) Audited Standalone and Consolidated financial results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.
  - b) Auditor's report in respect of the audited Standalone and Consolidated financial results of the company for the financial year ended 31<sup>st</sup> March, 2020.

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: 2 :

- c) Declaration under regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 regarding unmodified opinion in respect of standalone and consolidated financial results of the company for the quarter and year ended 31<sup>st</sup> March, 2020.

This is for your information and record.

Yours faithfully,  
For **Polychem Limited**

**Sd/-**  
**(Deepali V Chauhan)**  
**Company Secretary & Compliance Officer**  
**Mem No. A38273**

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## **Independent Auditor's Report on Annual Standalone Financial Results of Polychem Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

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To  
The Board of Directors  
**Polychem Limited**  
Mumbai

### **Opinion**

We have audited the accompanying statement of standalone financial results of **Polychem Limited** ("the Company") for the quarter and the year ended March 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the 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 requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in this regard; and
- (ii) gives 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 of the Company for the quarter and the year ended March 31, 2020.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") 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



## **Independent Auditor's Report (Continued)**

### **Polychem Limited**

issued by ICAI. 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 Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone 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



## Independent Auditor's Report (Continued)

### Polychem Limited

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 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 standalone 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 standalone financial statements 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 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.



**Independent Auditor's Report (Continued)**

**Polychem Limited**

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

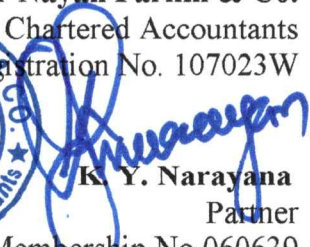
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Matters**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place: Mumbai  
Dated this 11<sup>th</sup> day of July, 2020

For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No. 107023W  
  
K. Y. Narayana  
Partner  
Membership No. 060639  
UDIN: 20060639AAAAEE8962

**POLYCHEM LIMITED**  
**CIN NO:L24100MH1955PLC009663**  
 Regd. Office - 7 J Tata Road, Mumbai - 400020  
 Telephone: 91 22 22820048; Email :polychemltd@kilachand.com  
 Website :www.polychemltd.com

**Statement of Audited Standalone Financial Results For The Quarter and Year Ended March 31, 2020**

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone				
		Quarter ended on			Year ended on	
		31-Mar-20 Audited	31-Dec-19 Unaudited	31-Mar-19 Audited	31-Mar-20 Audited	31-Mar-19 Audited
1	<b>Revenue from Operations</b>					
(a)	Net Sales	510.64	546.45	442.38	2,240.92	1,856.32
(b)	Other Operating Income	17.63	13.11	9.62	59.89	35.08
2	Other Income	7.90	25.88	22.77	75.36	87.90
3	<b>Total Income (1+2)</b>	<b>536.17</b>	<b>585.44</b>	<b>474.77</b>	<b>2,376.17</b>	<b>1,979.30</b>
4	<b>Expenses</b>					
(a)	Cost of materials consumed	253.34	283.82	244.89	1,160.97	1,183.18
(b)	Changes in inventories of finished goods , work-in-progress and stock- in-trade	0.91	(7.74)	5.72	15.30	(20.32)
(c)	Processing charges	66.13	71.73	54.47	284.72	234.70
(d)	Employee benefits expense	80.37	72.02	60.45	289.80	254.72
(e)	Finance Costs	0.38	0.53	-	0.91	-
(f)	Depreciation and amortisation expense	13.00	22.80	5.38	51.01	17.95
(g)	Other expenses	56.73	53.71	68.97	262.68	239.05
	<b>Total Expenses</b>	<b>470.86</b>	<b>496.87</b>	<b>439.88</b>	<b>2,065.39</b>	<b>1,909.28</b>
5	Profit / (Loss) before Tax (3-4)	65.31	88.57	34.89	310.78	70.02
6	Tax expenses					
	Current Tax (for the year)	18.50	18.00	2.50	70.00	2.50
	Current Tax (relating to prior years)	-	-	(3.00)	-	(3.00)
	Deferred Tax	0.61	(0.29)	1.71	(0.16)	0.93
7	Net Profit / (Loss) for the period after Tax (5-6)	46.20	70.86	33.68	240.94	69.59
8	Other Comprehensive Income					
	Items that will not be re-classified to Profit or Loss :					
	Remeasurements of post employment benefit	(4.66)	(0.56)	(1.65)	(6.33)	(3.11)
	Income tax relating to these items	1.17	0.14	0.81	1.59	0.81
9	<b>Total Comprehensive Income for the period (7-8)</b>	<b>42.71</b>	<b>70.44</b>	<b>32.84</b>	<b>236.20</b>	<b>67.29</b>
10	Paid-up Equity Share Capital (Face value Rs. 10/- per share)	40.40	40.40	40.40	40.40	40.40
11	Other Equity	-	-	-	1,976.62	1,752.60
12	Earning Per Share - (Basic and diluted) (Rs.)*	11.44	17.54	8.34	59.63	17.22

\*EPS is not annualised for the Quarter ended March 31, 2020, Quarter December 31, 2019 and Quarter March 31, 2019.

**POLYCHEM LIMITED**  
**CIN NO:L24100MH1955PLC009663**  
**Regd. Office - 7 J Tata Road, Mumbai - 400020**

Telephone: 91 22 22820048; Email :polychemltd@kilachand.com  
 Website :www.polychemltd.com

Statement of Audited Standalone Assets and Liabilities as at March 31, 2020		
(Rs. in Lakhs)		
Particulars	Standalone	
	As At	
	31-Mar-20	31-Mar-19
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	141.57	95.92
Other Intangible assets	0.78	0.81
Financial assets		
Investments	928.32	859.36
Loans	0.80	2.00
Other financial assets	11.87	11.87
Deferred tax assets (Net)	13.17	11.42
Other non-current assets	46.99	62.14
<b>Total non-current assets</b>	<b>1,143.50</b>	<b>1,043.52</b>
<b>Current Assets</b>		
Inventories	226.31	232.51
Financial Assets		-
Trade receivables	406.98	368.42
Cash and cash equivalents	248.04	74.68
Bank balances other than cash and cash equivalents	205.33	70.31
Loans	8.77	88.75
Other financial assets	2.77	4.73
Current tax assets (Net)	15.68	16.36
Other current assets	37.56	80.00
<b>Total current assets</b>	<b>1,151.44</b>	<b>935.76</b>
<b>Total assets</b>	<b>2,294.94</b>	<b>1,979.28</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	40.40	40.40
Other Equity	1,976.62	1,752.60
<b>Total equity</b>	<b>2,017.02</b>	<b>1,793.00</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
Other financial liabilities	40.11	-
<b>Total non-current liabilities</b>	<b>40.11</b>	<b>-</b>
<b>Current liabilities</b>		
Financial Liabilities		
Trade payables		
Total outstanding dues of Micro & Small Enterprises	17.08	14.07
Other than Micro & Small Enterprises	65.39	78.90
Other financial liabilities	89.31	51.92
Other current liabilities	63.07	40.06
Provisions	1.27	1.33
Current Tax Liabilities (Net)	1.69	-
<b>Total current liabilities</b>	<b>237.81</b>	<b>186.28</b>
<b>Total equity and liabilities</b>	<b>2,294.94</b>	<b>1,979.28</b>



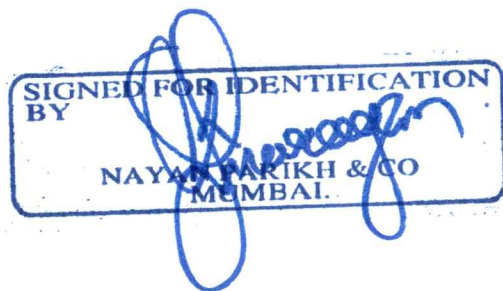
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<b>Audited Standalone Statement of cash flow for the year ended March 31, 2020</b>		
<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>Year Ended</b>	
	<b>As at Mar 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	<b>310.78</b>	<b>70.02</b>
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	51.01	17.95
Dividend Income	(0.45)	(0.42)
Gratuity & Leave Encashment Provision	8.00	1.25
Interest Income	(18.86)	(42.27)
Provision for Bonus	7.44	0.63
Amount no longer payable written back	-	(0.04)
Amount written off	0.41	0.01
MTM (Gain)/loss on forward contracts	7.07	(3.94)
Change in fair value of financial assets at fair value through profit or loss	(47.76)	(44.12)
Bad Debts	0.07	0.38
Loss on sale of Investments	-	0.14
Loss on sale of Property, plant and equipment	-	0.03
Finance Cost on lease	0.91	-
Unrealised gain and loss on foreign exchange	(15.68)	1.49
	<b>302.94</b>	<b>1.12</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	(22.96)	(42.12)
Decrease/(increase) in inventories	6.20	(12.74)
Increase/(decrease) in trade payables	(10.51)	4.69
Increase/(decrease) in other financial assets	3.94	(3.94)
Decrease/(increase) in other non-current assets	7.59	(10.31)
Decrease/(increase) in other current assets	42.45	(33.00)
Increase/(decrease) in other current liabilities	(18.85)	0.94
Increase/(decrease) in other financial liabilities	30.32	(6.96)
<b>Cash generated from operations</b>	<b>341.12</b>	<b>(102.32)</b>
Direct taxes paid (net of refunds)	60.47	(7.52)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>280.65</b>	<b>(94.80)</b>

<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	(15.52)	(61.10)
Payments for acquisition of intangible assets	(0.34)	0.00
Loans & advances repaid by Subsidiaries	80.00	362.44
Inter corporate deposit given	6.35	(0.75)
Loans to employees and others	(5.17)	1.93
Proceeds from sale of property, plant and equipment	-	0.42
Movement in Fixed deposits	(135.02)	89.95
Investment in mutual funds & Shares	(21.20)	(395.00)
Proceeds from sale of shares	-	2.46
Interest received	16.88	42.66
Dividend received	0.45	0.42
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(73.57)</b>	<b>43.44</b>
<b>Cash flows from financing activities</b>		
Finance lease payments	(21.53)	-
Dividends Paid	(12.18)	(0.09)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(33.71)</b>	<b>(0.09)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>173.36</b>	<b>(51.45)</b>
Cash and cash equivalents at the beginning of the year	74.68	126.13
<b>Cash and cash equivalents at the end of the year</b>	<b>248.04</b>	<b>74.68</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement :</b>		
On current accounts	118.96	36.22
Deposits with original maturity of less than 3 months	128.00	38.46
Cash on hand	1.08	-
<b>Balance as per the cash flow statement</b>	<b>248.04</b>	<b>74.68</b>
<b>Note :</b>		
Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows		

**Notes :**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on July 11, 2020.
- 2 A dividend of Rs.12.50/- per equity share i.e. 125% of the face value of Rs.10/- each (Previous Year - Rs.2.50/- i.e. 25% of the face value of Rs.10/- each) has been recommended by the Board of Directors which is subject to the approval of the shareholders.
- 3 These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 4 In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. The Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses and imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company majorly fell under non-essential category, these restrictions had substantially reduced our operations. The Company's manufacturing activities remained shut from 23rd March, 2020 due to lock down. Since then the company has partially commenced operations w.e.f 23rd May, 2020 including dispatch of goods to some of its customers. On the basis of evaluation and current indicators of future economic conditions, the Company believes that it will be in a position to recover the carrying amounts of the trade receivables and other financial assets. The impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.
- 5 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective approach and accordingly, recognized Right of Use assets and Lease liability without carrying out retrospective adjustments. The effect of this adoption is not material on the results for the period.
- 6 Tax expense for the quarter and twelve months ended March 31, 2020 reflect changes made vide The Taxation Laws (Amendment) Act 2019 as applicable to the Company, which inter alia includes Concessional Corporate Tax Rate of 22%
- 7 As the Company's business activity falls within a single business segment in terms of Ind AS 108 on Operating Segments, the financial statement are reflective of the information required by Ind AS 108.
- 8 Figures of the previous periods have been regrouped wherever necessary. The figures for the quarter ended 31st March are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.



P T KILACHAND  
(DIN - 0005516)  
Managing Director

Place: Mumbai  
Date : July 11, 2020

# NAYAN PARIKH & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

OFFICE NO. 9, 2<sup>ND</sup> FLOOR, JAIN CHAMBERS, 577, S.V. ROAD, BANDRA (WEST), MUMBAI 400050, INDIA.

PHONE : (91-22) 2640 0358, 2640 0359

## **Independent Auditor's Report on Audit of Annual Consolidated Financial Results of Polychem Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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To  
The Board of Directors  
**Polychem Limited**

### **Opinion**

We have audited the accompanying statement of consolidated financial results of **Polychem Limited** (hereinafter referred to as the "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), for the year ended March 31, 2020 ("Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the quarter ended March 31, 2019, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review/audit.

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditor on standalone financial statements and other financial information of subsidiary, the aforesaid Statement:

- (i) includes the annual standalone financial result of one subsidiary namely Gujrat Poly Electronics Ltd;
- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives 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 consolidated net profit and consolidated other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group in



accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements 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 issued by ICAI. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Management’s Responsibilities for the Consolidated Financial Results**

This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared on the basis of consolidated financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the 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.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the complete set of consolidated financial statements on whether the group 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Director'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 ability of the Group 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 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 Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results and other financial information of the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated financial results, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

- (i) The consolidated financial results include the audited standalone financial result of one subsidiary, whose standalone financial results reflect Group's share of total assets of ₹. 1,058.21 lakhs as at March 31, 2020, total revenues of ₹. 1,371.21 lakhs, Group's share of total net profit after tax of ₹. 121.67 lakhs, total comprehensive income ₹.117.63 lakhs and net cash inflow ₹.193.46 lakhs for the year ended March 31, 2020, as considered in the consolidated financial results; and; whose standalone financial results have not been audited by us. These financial result and other financial information have been audited by



its respective independent auditor whose reports have been furnished to us by the Management of the Company and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial results is not modified in respect of above matters with respect to our reliance on the work done and the report of the other auditor and the standalone financial statements and other financial information certified by the Management of the Holding Company.

- (ii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For Nayan Parikh & Co.**

Chartered Accountants

Fin. Registration No. 107023W



**K.Y.Narayan**

Partner

Membership No. 060639

UDIN: 20060639AAAAEF9662

Place: Mumbai

Dated this 11<sup>th</sup> day of July, 2020



Statement of Audited Consolidated Financial Results For The Quarter and Year Ended March 31, 2020						
(Rs. in Lakhs)						
Sr. No.	Particulars	Consolidated				
		Quarter ended on			Year ended on	
		31-Mar-20 Audited	31-Dec-19 Unaudited	31-Mar-19 Unreviewed	31-Mar-20 Audited	31-Mar-19 Audited
1	<b>Revenue from Operations</b>					
(a)	Net Sales	858.28	851.29	892.14	3,600.47	4,109.44
(b)	Other Operating Income	17.24	14.59	12.22	63.14	44.75
2	Other Income	40.44	28.18	18.90	111.61	58.54
3	<b>Total Income (1+2)</b>	<b>915.96</b>	<b>894.06</b>	<b>923.26</b>	<b>3,775.22</b>	<b>4,212.73</b>
4	<b>Expenses</b>					
(a)	Cost of materials consumed	253.98	284.52	245.74	1,163.82	1,188.25
(b)	Purchase of stock-in-trade	186.09	187.75	216.72	763.63	1,209.42
(c)	Changes in inventories of finished goods , work-in-progress and stock- in-trade	26.23	(7.05)	43.52	56.33	(3.12)
(d)	Processing charges	66.14	71.73	54.47	284.72	240.75
(e)	Employee benefits expense	149.17	145.98	129.74	583.15	522.13
(f)	Finance Costs	0.62	0.70	-	1.32	-
(g)	Depreciation and amortisation expense	17.33	31.16	11.34	70.17	32.08
(h)	Other expenses	128.66	54.67	98.70	419.63	410.77
	<b>Total Expenses</b>	<b>828.22</b>	<b>769.46</b>	<b>800.23</b>	<b>3,342.77</b>	<b>3,600.28</b>
5	Profit / (Loss) before Tax (3-4)	87.74	124.60	123.03	432.45	612.45
6	Tax expenses					
	Current Tax (for the year)	18.50	18.00	2.50	70.00	2.50
	Current Tax (relating to prior years)	-	-	(3.00)	-	(3.00)
	Deferred Tax	0.61	(0.29)	1.71	(0.16)	0.93
7	Net Profit / (Loss) for the period after Tax (5-6)	68.63	106.89	121.82	362.61	612.02
8	Other Comprehensive Income					
	Items that will not be re-classified to Profit or Loss :					
	Re-measurements of the defined benefit plans (net of tax)	(7.43)	(0.99)	(2.58)	(10.37)	(5.12)
	Income tax relating to items that will not be reclassified to profit or loss	1.17	0.14	0.81	1.59	0.81
	Total Other Comprehensive Income / (Loss) (after Tax)	(6.26)	(0.85)	(1.77)	(8.78)	(4.31)
9	<b>Total Comprehensive Income for the period (7-8)</b>	<b>62.37</b>	<b>106.04</b>	<b>120.05</b>	<b>353.83</b>	<b>607.71</b>
10	<b>Profit / (Loss) attributable to:</b>					
	Owners of the parent	58.31	90.30	81.26	306.63	362.45
	Non controlling interest	10.32	16.59	40.56	55.98	249.57
	<b>Other Comprehensive Income attributable to:</b>					
	Owners of the parent	(4.98)	(0.65)	(1.34)	(6.92)	(3.39)
	Non controlling interest	(1.28)	(0.20)	(0.43)	(1.86)	(0.93)
	<b>Total Comprehensive Income attributable to:</b>					
	Owners of the parent	53.33	89.65	79.92	299.71	359.07
	Non controlling interest	9.04	16.39	40.13	54.12	248.64
11	Paid-up Equity Share Capital (Face value Rs. 10/- per share)	40.40	40.40	40.40	40.40	40.40
12	Other Equity	-	-	-	2,473.36	2,185.83
13	Earning Per Share - (Basic and diluted) (Rs.)*	14.43	22.35	20.11	75.89	89.71

\*EPS is not annualised for the Quarter ended March 31, 2020, Quarter December 31, 2019 and Quarter March 31, 2019.

**POLYCHEM LIMITED**  
**CIN NO:L24100MH1955PLC009663**  
**Regd. Office - 7 J Tata Road, Mumbai - 400020**  
**Telephone: 91 22 22820048; Email :polychemltd@kilachand.com**  
**Website :www.polychemltd.com**

<b>Statement of Audited Consolidated Assets and Liabilities as at March 31, 2020</b>		
<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>Consolidated</b>	
	<b>As At</b>	
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
	<b>Audited</b>	<b>Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	345.04	264.37
Other Intangible assets	10.72	1.83
Intangible assets under development	-	8.28
<b>Financial assets</b>		
Investments	811.66	742.71
Loans	0.80	2.00
Other financial assets	20.28	16.72
Deferred tax assets (Net)	13.17	11.42
Other non-current assets	47.15	62.30
<b>Total non-current assets</b>	<b>1,248.82</b>	<b>1,109.63</b>
<b>Current Assets</b>		
Inventories	431.69	478.99
<b>Financial Assets</b>		
Trade receivables	770.53	853.40
Cash and cash equivalents	285.21	98.39
Bank balances other than cash and cash equivalents	385.85	70.83
Loans	18.95	13.62
Other financial assets	5.48	4.86
Current tax assets (Net)	15.68	16.36
Other current assets	42.91	84.05
<b>Total current assets</b>	<b>1,956.30</b>	<b>1,620.50</b>
<b>Assets held for sale</b>	<b>31.39</b>	<b>31.39</b>
<b>Total assets</b>	<b>3,236.51</b>	<b>2,761.52</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	40.40	40.40
Other Equity	2,473.36	2,185.83
Amount attributable to Owners of Polychem Limited	2,513.76	2,226.23
Non Controlling Interest	(11.68)	(65.80)
<b>Total equity</b>	<b>2,502.08</b>	<b>2,160.43</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
Other financial liabilities	45.44	-
Provisions	27.04	22.68
<b>Total non-current liabilities</b>	<b>72.48</b>	<b>22.68</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Trade payables	110.08	103.05
Other financial liabilities	411.66	365.11
Other current liabilities	117.70	88.80
Provisions	20.82	21.45
Current Tax Liabilities (Net)	1.69	-
<b>Total current liabilities</b>	<b>661.95</b>	<b>578.41</b>
<b>Total equity and liabilities</b>	<b>3,236.51</b>	<b>2,761.52</b>

**POLYCHEM LIMITED**  
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**Audited Consolidated Statement of cash flow for the year ended March 31, 2020**

Particulars	(Rs. In Lakhs)	
	Year Ended	
	As at Mar 31,	
	2020	2019
<b>Cash flow from operating activities</b>		
Profit before income tax	432.45	612.45
<b>Profit before income tax</b>	<b>432.45</b>	<b>612.45</b>
<b>Non-cash Adjustment to Profit Before Tax:</b>		
Depreciation and amortization expense	70.17	32.08
Dividend Income	(0.45)	(0.42)
Gratuity & Leave Encashment Provision	8.00	1.25
Interest Income	(25.26)	(11.09)
Provision for Bonus	7.44	0.63
Amount no longer payable written back	(0.54)	(0.20)
Amount written off	1.96	0.24
Allowance for bad & doubtful debts	(28.80)	(1.17)
MTM (Gain)/loss on forward contracts	7.07	(3.94)
Income from Investments	-	(0.18)
Change in fair value of financial assets at fair value through profit or loss	(47.76)	(44.12)
Bad Debts	0.07	0.38
Loss on sale of Investments	-	0.14
Loss on sale of assets	-	16.22
Finance Cost on Lease	1.20	-
Unrealised gain and loss on foreign exchange	(18.34)	(6.02)
Interest and finance charges	0.12	-
	<b>407.33</b>	<b>596.26</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	125.74	(122.77)
Decrease/(increase) in inventories	47.30	23.91
Increase/(decrease) in trade payables	10.28	(72.29)
Increase/(decrease) in other financial assets	(2.20)	(3.90)
Decrease/(increase) in other non-current assets	7.59	(10.29)
Decrease/(increase) in other current assets	41.13	(34.07)
Increase/(decrease) in provisions	3.79	9.00
Increase/(decrease) in Loans	(5.31)	(0.89)
Increase/(decrease) in other current liabilities	3.01	(21.37)
Increase/(decrease) in other financial liabilities	10.30	(6.96)
<b>Cash generated from operations</b>	<b>648.95</b>	<b>356.63</b>
Direct taxes paid (net of refunds)	60.47	(7.52)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>588.48</b>	<b>364.15</b>

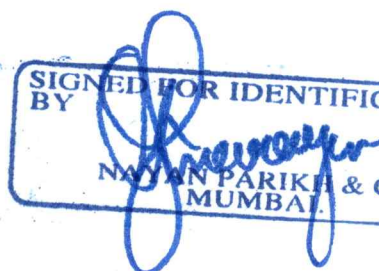
<b>Cash flow from investing activities</b>		
Payments for acquisition of property, plant and equipment	(49.46)	(132.71)
Payments for acquisition of intangible assets	(0.34)	-
Inter corporate deposit given	6.35	(0.75)
Loans to employees and others	(5.17)	1.93
Proceeds from sale of property, plant and equipment	-	1.73
Movement in Fixed deposits	(315.02)	89.95
Investment in mutual funds & shares	(21.20)	(395.00)
Proceeds from sale of shares	0.00	2.46
Interest received	23.28	11.66
Dividend received	0.45	0.42
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(361.11)</b>	<b>(420.30)</b>
<b>Cash flows from financing activities</b>		
Finance lease payments	(28.26)	-
Interest and finance charges	(0.12)	-
Dividends Paid	(12.18)	(0.09)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(40.56)</b>	<b>(0.09)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+ C)</b>	<b>186.82</b>	<b>(56.24)</b>
Cash and cash equivalents at the beginning of the year	98.39	154.63
<b>Cash and cash equivalents at the end of the year</b>	<b>285.21</b>	<b>98.39</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement :</b>		
Cash and cash equivalents		
Balances with banks:		
On current accounts	154.92	59.93
Deposits with original maturity of less than 3 months	128.00	38.46
Cash on hand	2.29	-
<b>Balance as per the cash flow statement :</b>	<b>285.21</b>	<b>98.39</b>
<b>Note :</b>		
Above statement has been prepared by using Indirect method as per Ind AS - 7 on Statement of Cash flows		

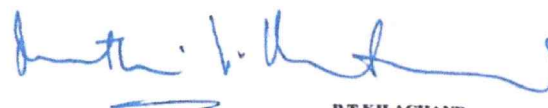
**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on July 11, 2020.
- 2 A dividend of Rs.12.50/- per equity share i.e. 125% of the face value of Rs.10/- each (Previous Year - Rs.2.50/- i.e. 25% of the face value of Rs.10/- each) has been recommended by the Board of Directors which is subject to the approval of the shareholders.
- 3 These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 4 In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. The Government of India has declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses and imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company majorly fell under non-essential category, these restrictions had substantially reduced our operations. The Group's manufacturing activities remained shut from 23rd March, 2020 due to lock down. Since then the Group has partially commenced operations w.e.f 20th May, 2020 in Gujarat Poly Electronics Limited (subsidiary Company) and 23rd May, 2020 in Polychem Limited (holding Company) including dispatch of goods to some of its customers. On the basis of evaluation and current indicators of future economic conditions, the Group believes that it will be in a position to recover the carrying amounts of the trade receivables and other financial assets. The impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and any action to contain its spread or mitigate its impact whether government mandated or elected by the Group.
- 5 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all contracts having lease components existing on April 1, 2019 using the modified retrospective approach and accordingly, recognized Right of Use assets and Lease liability without carrying out retrospective adjustments. The effect of this adoption is not material on the results for the period.
- 6 Tax expense for the quarter and twelve months ended March 31, 2020 reflect changes made vide The Taxation Laws (Amendment) Act 2019 as applicable to the Company, which inter alia includes Concessional Corporate Tax Rate of 22%.
- 7 The financial results and other financial information for the quarter ended March 31, 2019 have not been subjected to limited review/audit. However, the management has exercised due diligence to ensure that such financial result provide a true and fair view of its affairs. The financial figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of full financial year ended on March 31, 2019 and unreviewed the year to date figures upto the third quarter of the year ended March 31, 2019.
- 8 Segment information  
Segment information for primary segment reporting (by business segments).  
The Group has three business segments:  
(i) Property Development  
(ii) Specialty Chemicals  
(iii) Manufacturing and trading in Capacitors

Statement of Audited Segment Information for the Year Ended March 31, 2020						
(Rs. in Lakhs)						
Sr. No.	Particulars	Quarter ended on			Year ended on	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Unaudited	Unreviewed	Audited	Audited
1	<b>Segment Revenue</b> (net sale/income from each segment)					
	(a) Property Development	-	-	-	-	-
	(b) Specialty Chemicals	510.64	546.45	442.38	2,240.92	1,856.32
	(c) Manufacturing and trading in Capacitors	347.63	304.84	449.76	1,359.55	2,253.12
	(d) Unallocated	57.69	42.76	31.12	174.75	103.29
	<b>Total</b>	<b>915.96</b>	<b>894.06</b>	<b>923.26</b>	<b>3,775.22</b>	<b>4,212.73</b>
	Less: Inter Segment Revenue	-	-	-	-	-
	<b>Revenue from operations</b>	<b>915.96</b>	<b>894.06</b>	<b>923.26</b>	<b>3,775.22</b>	<b>4,212.73</b>
2	<b>Segment Results</b> Profit/Loss before tax and interest from each segment					
	(a) Property Development	-	-	-	-	-
	(b) Specialty Chemicals	144.02	147.77	80.49	580.05	265.38
	(c) Manufacturing and trading in Capacitors	22.42	36.05	92.18	122.63	542.43
	(d) Unallocated	-	-	-	-	-
	<b>Total</b>	<b>166.44</b>	<b>183.82</b>	<b>172.67</b>	<b>702.68</b>	<b>807.81</b>
	Less: (i) Other Un-allocable Expenditure (net off)	78.70	59.21	49.64	270.23	195.36
	<b>Total Profit Before Tax</b>	<b>87.74</b>	<b>124.60</b>	<b>123.03</b>	<b>432.45</b>	<b>612.45</b>
3	<b>Segment Asset</b> (Segment assets - Segment liabilities)					
	(a) Property Development	162.77	161.25	159.34	162.77	159.34
	(b) Specialty Chemicals	717.58	675.01	608.91	717.58	608.91
	(c) Manufacturing and trading in Capacitors	1,058.21	1,058.45	978.86	1,058.21	978.86
	(d) Unallocated	1,297.95	1,266.44	1,014.41	1,297.95	1,014.41
	<b>Total</b>	<b>3,236.51</b>	<b>3,161.15</b>	<b>2,761.52</b>	<b>3,236.51</b>	<b>2,761.52</b>
4	<b>Segment Liabilities</b>					
	(a) Property Development	-	-	-	-	-
	(b) Specialty Chemicals	192.58	123.66	141.65	192.58	141.65
	(c) Manufacturing and trading in Capacitors	456.57	163.23	414.84	456.57	414.84
	(d) Unallocated	85.28	434.54	44.60	85.28	44.60
	(e) NCI	(11.68)	(20.72)	(65.80)	(11.68)	(65.80)
	<b>Total</b>	<b>722.75</b>	<b>700.71</b>	<b>535.29</b>	<b>722.75</b>	<b>535.29</b>

- 9 Figures of the previous periods have been regrouped wherever necessary. The figures for the quarter ended 31st March are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.

  
**SIGNED FOR IDENTIFICATION**  
 BY  
**NAYAN PARIKH & CO**  
 MUMBAI

  
 P T KILACHAND

(DIN - 00005516)  
 Managing Director

Place: Mumbai  
Date: July 11, 2020

**POLYCHEM LIMITED**

CIN: L24100MH1955PLC009663

REGD. OFFICE: 7. JAMSHEDJI TATAROAD. CHURCHGATE RECLAMATION. MUMBAI-400 020

Ph: 022 - 2282 0048, Fax: 022 - 2285 0606

E-mail: [polychemltd@kilachand.com](mailto:polychemltd@kilachand.com) , Website: [www.polychemltd.com](http://www.polychemltd.com)

**Date: 11.07.2020**

**To**  
**Head Listing Compliance**  
**Bombay Stock Exchange Ltd.**  
**PhirozeJeejeebhoy Towers,**  
**Dalal Street, Mumbai - 400 001**

**Company Code – 506605**

Dear Sir/Ma'am,

**Sub: Declaration for Audit Reports with unmodified opinion(s).**

In terms of second proviso to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is declared that the Auditor has expressed an unmodified opinion(s) on the audited standalone and consolidated financial results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.

This is for your information and record.

Yours faithfully,  
For **Polychem Limited**

**Sd/-**  
**(Deepali V Chauhan)**  
**Company Secretary & Compliance Officer**  
**Mem No. A38273**