



43rd

ANNUAL REPORT

2013-2014

PEARL POLYMERS LIMITED

BOARD OF DIRECTORS

Mr. Chand Seth	-	Chairman & Managing Director
Mr. Varun Seth	-	Whole-Time Director
Mr. Ramesh Mehra	-	Director
Mr. Mahavir Singh	-	Nominee Director (HSIIDC)
Mr. Ravi Mehra	-	Additional Director
Ms. Meera Johri	-	Additional Director
Mr. Ashish Harish Bhuva	-	Additional Director

COMPANY SECRETARY**Ms. Deepika Sati****AUDITORS**

Sehgal Mehta & Co.
Chartered Accountants
10173/2, Block No. 15,
Abdul Aziz Road,
W.E.A., Karol Bagh,
New Delhi-110005

BANKERS

Bank of Baroda
Allahabad Bank
IDBI Bank

REGISTERED OFFICE

A-97/2, Okhla Industrial Area Phase-II,
New Delhi-110 020

SHARE DEPARTMENT

A-97/2, Okhla Industrial Area Phase-II,
New Delhi-110 020
Ph. : 47385300, Fax : 47480746

**REGISTRAR & SHARE TRANSFER
AGENT**

MAS Services Ltd.
T-34, IInd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110020
Ph : 011-26387281/82/83
Fax:011-26387384
E-mail:mas_serv@yahoo.com

WORKS:**Mahad**

B-3/2/1, MIDC Industrial Estate, Mahad, Distt. Raigad,
Maharashtra - 403302

B-3/2/2, MIDC Industrial Estate, Mahad, Distt. Raigad,
Maharashtra - 403302

B-3/2/3, MIDC Industrial Estate, Mahad, Distt. Raigad,
Maharashtra - 403302

Jigani

13-A, Part-I Jigani Industrial Area
Distt. Anekal Bangalore, Karnataka

Baddi

Khasra No. 512-513, Village-Sandholi (Baddi),
Tehsil-Nalagarh Distt- Solan (H.P)

Pant Nagar

Plot No. 45, Sector-3, Village Kalyanpur, Tehsil Kichha,
Distt. U.S. Nagar, IIE, Pantnagar, Uttaranchal.

NOTICE

NOTICE is hereby given that the 43rd (Forty Third) Annual General Meeting of the members of Pearl Polymers Limited (CIN L25209DL1971PLC005535) will be held on Monday, the 29th day of September, 2014 at 11.30 a.m. at A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110 020, to transact the following businesses:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014, including audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Varun Seth (DIN No. 00017552), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and, in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** M/s. Sehgal Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 003330N), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Forty Sixth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS :

4. To re-appoint Shri Chand Seth (DIN 00002944) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Chand Seth (DIN 00002944) as the Chairman & Managing Director of the Company, for a period of 3 (three) years with effect from April 01, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with the liberty 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) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Chand Seth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT Shri Chand Seth, Chairman and Managing Director of the Company shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Shri Ramesh Mehra (DIN 00003334) as the Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Ramesh Mehra (DIN 00003334) as the Whole Time Director of the Company, for a period of 3 (three) years with effect from September 01, 2014, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with the liberty 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) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Ramesh Mehra, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT Shri Ramesh Mehra, Whole Time Director of the Company, shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To appoint Shri Ravi Mehra (DIN 06882167) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ravi Mehra (DIN 06882167), who was appointed as an Additional Director with effect from May 26, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to September 28, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ravi Mehra be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To appoint Smt. Meera Johri (DIN 06881924) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Meera Johri (DIN 06881924), who was appointed as an Additional Director with effect from May 26, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to September 28, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and any other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Meera Johri be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To appoint Shri Ashish Harish Bhuva (DIN 06780082) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ashish Harish Bhuva (DIN 06780082), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of

Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to September 28, 2019.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and any other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Ashish Harish Bhuvra be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Article of Association of the Company, be and is hereby altered in the following manner:

- (i) By adding new Article 95A immediately after the existing Article 95 as under:

Article 95A

"The Board of Directors may, from time to time, appoint/re-appoint an Individual as Chairman as well as Managing Director or Chief Executive Officer of the Company."

- (ii) By substituting the existing Article 138 of the Article of Association of the Company with the new Article 138 as under:

Article 138

"The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new Seal in lieu thereof. The Board shall provide for the safe custody of the Seal for the

time being. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director and such other official as the Board may appoint for the purpose or in the presence of at least two officials of the Company as the Board/Committee of the Board may authorize for the purpose and those one director and authorized official or two authorized official aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence"

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 24th Annual General Meeting of the members of the Company held on July 14, 1995 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow, from time to time, such sum or sums of money, as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/monies so borrowed by the Board shall not at any time exceed the limit of Rs.350 crores (Three Hundred Fifty Crores Only)."

By Order of the Board of Directors
Pearl Polymers Limited

Registered Office:
A-97/2, Okhla Industrial Area,
Phase-II, New Delhi-110 020
September 01, 2014

Deepika Sati
Company Secretary

**NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him/ herself and the proxy need not be a member of the Company. The instruments appointing the proxy, in order to be effective, should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Businesses to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting. As a measure of economy, Annual Reports shall not be distributed at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Shri Varun Seth, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board of Directors of the Company commends his re-appointment.
7. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement, form part of this Annual Report.
8. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, the 23rd**

day of September, 2014 to Monday, the 29th day of September, 2014 (both days inclusive), in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, for the purpose of Annual General Meeting.

9. Members holding shares in physical form either in multiple folios with identical names or joint holdings in the same order are requested to send their Share Certificates to the Company or M/s MAS Services Limited, Registrar and Share Transfer Agent of the Company for consolidation into a single folio.
10. The Company's shares are admitted in both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and dematerialization of securities. For the shareholder's convenience, the process for getting shares dematerialized is as follows:

- Shareholders shall submit original share certificate along with De-materialization Request Form (DRF) to the Depository Participants (DP).
- DP shall process the DRF, generate a unique De-materialization request number and forward the DRF along with share certificate to the Registrar and Share Transfer Agent (RTA).
- RTA after processing the DRF will confirm/reject the request to depositories.
- If confirmed by RTA, depositories will credit shareholders Account maintained with DP.

The entire process shall take approximately 10-15 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialized to enjoy paperless and easy trading of shares.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
12. The Ministry of Corporate Affairs had notified provisions relating to the Share Capital & Debentures under the Companies Act, 2013 with effect from April 01, 2014. Now the transferee(s) need to send share certificate(s) along with share transfer deed and copy of PAN Card in the prescribed Form SH-4, duly filled in, executed and share transfer stamps affixed, to the Company or its RTA.

13. In case of change in postal address or any incompleteness/ incorrectness in address mentioned in any correspondence by the Company, the shareholders are requested to intimate the correct/ complete postal address (including PIN Code) to the company or to the RTA at the earliest to ensure proper delivery of documents. If the shares are held in dematerialized form, information may be sent to the DP concerned and the RTA.
14. The Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI'), have taken "Green Initiative in the Corporate Governance", thereby directing Companies to serve documents to its members whose e-mail ids are registered with the Company, through electronic mode, unless specific request is received from the member regarding physical delivery of documents. Accordingly, the Members are requested to register their valid e-mail ids with the Depositories (in case of Demat Holding) and the Company or RTA (in case of Physical holding). We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment
15. The Annual Report of the Company for the financial year 2013-14 is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same and physical copies are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
16. Pursuant to the provisions of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed deposits remaining unpaid or unclaimed for a period of seven years, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 23, 2013 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.
17. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during 10.30 a.m. and 12.30 p.m., up to the date of the AGM. Shareholders having any question on financial statements or any agenda item proposed in the notice of AGM are requested to send their queries at least ten days prior to the date of AGM of the Company at its registered office address to enable the Company to collect the relevant information.
18. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means. The Company has fixed August 29, 2014, as a cut-off date to record the entitlement of the shareholders to cast their vote at the 43rd Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules made thereunder. Consequently the same cut-off date i.e. August 29, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 43rd AGM on September 29, 2014.
19. The e-voting period will commence at 9.00 a.m. on Monday, September 22, 2014 and will end at 6:00 p.m. on Wednesday, September 24, 2014. The Company has appointed Mr. R. S. Bhatia, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given on the Attendance Slip.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('the Act')

Item No. 4&5:

The Board of Directors of the Company (the 'Board'), at its meeting held on February 11, 2014, has subject to the approval of members, re-appointed Shri Chand Seth, as the Chairman & Managing Director, for a period of 3 (three) years with effect from April 01, 2014 and by way of a resolution passed by circulation on September 01, 2014, appointed Mr. Ramesh Mehra, as the Whole Time Director of the Company w.e.f. September 01, 2014.

It is proposed to seek the members' approval by way of Special Resolution for the re-appointment of and remuneration payable to Shri Chand Seth as the Chairman and Managing Director and by way of Ordinary Resolution for the appointment of Mr. Ramesh Mehra as the Whole Time Director, in terms of the applicable provisions of the Act.

The terms of re-appointment of and remuneration payable to Shri Chand Seth are as under:

A. REMUNERATION

including Basic salary, House rent allowance, Expenditure on gas, electricity, water and furnishing, Medical Reimbursement, Leave Travel Concession etc. aggregating to, but not exceeding Rs.4,50,000/- (Rupees Four Lacs Fifty Thousand Only) per month.

**B. PERQUISITES IN ADDITION TO THE ABOVE**

1. Provident Fund: Company's contribution to Provident Fund, if applicable, as per rules of the Company will be subject to a ceiling of 12% of the salary as laid down under the Income Tax Rules, 1962.
2. Earned/ Privileged Leave: As per the Rules of the Company, the leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
3. Free use of Company's car with driver for business of the Company.
4. Free telephone and mobile facility at the Company's cost. However, personal long distance cost shall be billed to the appointee.

In the event of absence or inadequacy of profits, in any financial year, Shri Chand Seth should be paid a consolidated remuneration of Rs.4,50,000/- per month plus the permissible perquisites in accordance with the provisions of Schedule V to the Companies Act, 2013.

Shri Chand Seth upon re-appointment as the Chairman and Managing Director shall be subject to retirement by rotation during his tenure of appointment in the Company.

The terms of re-appointment of and remuneration payable to Shri Ramesh Mehra are as under:

A. REMUNERATION

including Basic salary, House rent allowance, Medical Reimbursement, Leave Travel Concession, other perquisites and reimbursement of expenditure on gas, electricity, water, maintenance etc. aggregating to, but not exceeding Rs.18,00,000/- (Rupees Eighteen Lacs Only) per annum.

B. PERQUISITES IN ADDITION TO THE ABOVE

1. Provident Fund: Company's contribution to Provident Fund, if applicable, as per rules of the Company will be subject to a ceiling of 12% of the salary as laid down under the Income Tax Rules, 1962.
2. Earned/ Privileged Leave: As per the Rules of the Company, the leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
3. Free use of Company's car with driver for business of the Company.
4. Free telephone and mobile facility at the Company's cost. However, personal long distance cost shall be billed to the appointee.

In the event of absence or inadequacy of profits, in any financial year, Ramesh Mehra should be paid a consolidated remuneration of Rs.18,00,000/- (Rupees Eighteen Lacs Only) p.a. and the permissible perquisites in accordance with the provisions of Schedule V to the Companies Act, 2013.

Shri Ramesh Mehra upon re-appointment as the Executive Director shall be subject to retirement by rotation during his tenure of appointment in the Company.

Information required pursuant to the provisions of Schedule V to the Companies Act, 2013 and Clause 49 of the Listing Agreement is furnished as under:

I) GENERAL INFORMATION:

- (i) Nature of Industry: The Company is a leading Manufacturer of PET Jars and Bottles.
- (ii) Expected date of commencement of commercial production: Not Applicable.
- (iii) In case of new companies, expected date of commencement of activities as per the Project approved by financial institutions appearing in the prospectus: Not Applicable.
- (iv) Financial Performance based on given indicators: The relevant financial figures (Audited) as under:

₹ In Lacs

Total Revenue	Expenses	Net Profits before Tax	Tax Expenses	Net Profit after Tax
22,635.52	22,583.46	52.06	(1.83)	53.89

- (v) Earning and Expenditure in foreign currency: Total foreign exchange earned was ₹ 71.35 Lacs against an outgo of ₹ 21.55 Lacs on import of Raw Material, ₹ 3.61 Lacs on import of Capital Goods and ₹ 8.86 Lacs on travelling and others.
- (vi) Foreign Investments or collaborators, if any: Not Applicable.

II) INFORMATION ABOUT THE APPOINTEES:**a) Background Details**

Shri Chand Seth is one of the promoters of the Company and has over 44 years of experience in the field of Polymers. He holds a degree in B.Tech (Mech.) from IIT (Kharagpur) and MS from Michigan University, USA.

Mr. Ramesh Mehra is a Bachelor in Engineering and Law. He has a rich experience of over 36 years in Commercial and Marketing field.

b) Past Remuneration

During his earlier tenure of appointment as Chairman and Managing Director in the Company, Shri Chand Seth received total remuneration of Rs.3,50,000/- per month, as approved by the shareholders of the Company at the Annual General Meeting held on September 22, 2011.

Shri Ramesh Mehra has been on the Board of Directors of the Company as a Non- Executive and Independent Director since October 31, 2000 and has not drawn any remuneration during his tenure. Considering the knowledge and expertise of Shri Ramesh Mehra, the Board of Directors proposes to appoint him as the Whole Time Director with effect from September 01, 2014.

c) Recognition or Awards

Shri Chand Seth is a renowned personality in the field of polymers and has immensely contributed in introducing and developing various quality plastic products. The Company won various awards namely World Star Award, Asia Star Award and Johnson & Johnson Worldwide Sustainability Award for the initiative taken in implementing change in bulk packaging process under his leadership.

d) Job Profile and his suitability

Shri Chand Seth is a Mechanical Engineer from IIT, Kharagpur and MS from Michigan University having a rich experience of over 44 years in the field of polymers. He is one of the Promoter Directors of the Company and is vested with the substantial powers of management of the Company. The Company has benefited and grown manifolds under his direction. His experience in the field of polymers and his qualifications are ideally suited to the nature of our Industry, the benefits of which the Company has reaped over the years.

Mr. Ramesh Mehra is a Bachelor in Engineering and Law. He has a rich experience of over 36 years in Commercial and Marketing field and has immensely contributed towards achievement of our corporate goals. He has been on the Board of the Company as Non-Executive and Independent Director since October 31, 2000 and considering his vast knowledge and experience the Board of Directors has proposed to appoint him as the Whole Time Director of the Company.

e) Remuneration Proposed

As mentioned above

f) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person

The prevalent levels of remuneration in the industry in general and plastic manufacturing industry in particular are higher. In view of his strategic role in turning around the Company from difficult times and placing it in such a pre-eminent position in the industry while also considering his academic background and vast experience, the proposed remuneration to the appointees is reasonable and is in fact on lower side compared to the remuneration packages for such levels paid in the Industry.

g) Pecuniary relationship directly or indirectly with the Company or relationship with the management personnel, if any.

Shri Chand Seth is one of the Promoters of the Company and has been instrumental in bringing significant growth in the volume of its business since inception. He is related to Shri Varun Seth, Whole time Director of the Company.

Shri Ramesh Mehra is not related to any of the Promoter, Director or Key Managerial Personnel of the Company.

III) OTHER INFORMATION:

- (a) Reasons of Inadequate Profits: With significant increase in the cost of raw material prices, the manufacturing costs have gone up which has resulted in lower margins since the rise in raw material prices could not be passed on to customers due to cut throat competition in Pet Bottle & Jar market which also consists of various small units.
- (b) Steps taken or proposed to be taken for Improvement: The Company is taking all possible steps to improve the profitability of the Company. Continuous efforts are being made towards exploring new markets in other countries. Options for new segments are also being explored simultaneously.
- (c) Expected increase in Productivity and Profits in measurable terms: The Company will strive to widen its customer base, increase market share, develop new products and enter new segments to achieve an overall growth in the domestic top line. Company is entering into long-term



contracts with the raw material suppliers to avoid unexpected price variation/shortages.

The aforesaid measures are expected to substantially increase the productivity and profits of the Company.

IV) DISCLOSURE:

The Proposed Remuneration Package of the Managerial Personnel: As mentioned above.

The re-appointment and remuneration payable to the appointees need to be approved by the shareholders at the General Meeting and accordingly, the resolution is placed before the Members.

Other than Shri Chand Seth, Chairman & Managing Director of the Company and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 4 of this Notice.

Other than Shri Ramesh Mehra, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of this Notice.

The Directors recommend the resolutions for the approval of the members.

Item No. 6, 7 & 8

The Board of Directors of the Company, appointed Shri Ravi Mehra and Smt. Meera Johri with effect from May 26, 2014 and Mr. Ashish Harish Bhuva with effect from September 01, 2014, as Additional Directors on the Board of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (hereinafter referred as 'the Act'), read with Article 96 of the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Act, Shri Ravi Mehra, Smt. Meera Johri and Shri Ashish Harish Bhuva (hereinafter collectively referred to as 'the appointees') hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from member(s) alongwith deposit of requisite amount under Section 160 of the Act, proposing the candidature of the appointees for the office of Independent Directors of the Company.

The appointees are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors alongwith a declaration to the effect that they meet the criteria of Independence as provided under section 149(6) of the Act and Clause 49 of the Listing Agreement.

As per Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he/she shall not be included in the total number of directors for retirement by rotation.

The appointees have sound knowledge in the field of finance.

In the opinion of the Board, the appointees fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management.

Brief resume of Shri Ravi Mehra, Smt. Meera Johri and Shri Ashish Harish Bhuva, is as under:

Brief Resume of Shri Ravi Mehra: Shri Ravi Mehra holds the Bachelor degree in Chemistry and a Bachelor's degree in Chemical Engineering, USA. He also holds a Diploma in 'Marketing & Sales' from YMCA, Delhi. He has over 30 years of Industry experience which includes holding the position of Managing Director in 'Electrical & Industrial Ceramics Pvt. Ltd.' for a period of three years and Ravision Drugs Pvt. Ltd. for a period of 14 years. He also holds experience of working with Shyam Ahuja Pvt. Ltd at the senior level.

He also compiled & published a book 'Chemical & Medical Formulary of India' which listed all names & therapeutic effects of most commonly used drugs in India for usage by doctors & hospitals.

At present he is not a director in any other Company and he also doesn't hold membership/chairmanship of any Committee in other Company. He holds nil equity shares of the Company. Shri Ravi Mehra is not related to the management under the provisions of Companies Act, 2013 and Rules made thereunder and Clause 49 of the Listing Agreement.

Brief Resume of Smt. Meera Johri: Smt. Meera Johri is a renowned personality in the field of book publishing. She is heading a leading publication group by the name of 'Rajpal & Sons' and is actively widening the focus of publishing by adding on books in English and a range of dictionaries and is publishing authors like APJ Abdul Kalam, J. Krishnamurti, Jaswant Singh, Dalai Lama etc.

She has also written a number of books viz. Women in Power, Paramveer Chakra: Profiles in Courage; Inspiring Thoughts on Management; Inspiring Thoughts on Successful Leadership etc.

Smt. Meera Johri is a Graduate in Economics (Hons.) from the Indraprastha College, University of Delhi, and has done her Masters in Business Administration from the Faculty of Management Studies, University of Delhi. She was a marketing consultant for 12 years and has had experience of the electronics, plastics and travel industries.

At present she neither holds directorship in any other Company nor a member/chairman of any Committee in other Company. She holds nil equity shares of the Company. Smt. Meera Johri is not related to the management under the provisions of Companies Act, 2013 and Rules made thereunder and Clause 49 of the Listing Agreement.

Brief Resume of Shri Ashish Harish Bhuvu: Shri Ashish Harish Bhuvu

Mr. Ashish Harish Bhuvu is a Bachelor of Commerce from University of Mumbai and Diploma holder in Business Management from Welingkar Institute of Management Development & Research, Mumbai. He has also completed Management Development Programme on Marketing for Owner Managed Companies from Narsee Monjee Institute of Management & Higher Studies, Mumbai. Mr. Ashish Harish Bhuvu is a results-oriented person with a positive outlook & has comprehensive understanding of management principles.

Mr. Ashish Harish Bhuvu has approx. 17 years of experience in the Industry. He is a Director in Indo Nippon Chemical Company Ltd. and is actively involved in the planning & organising the organisation's activities, Developing business plans & preparing comprehensive business reports, Reviewing, refining & developing the strategy & direction of the Company etc.

Keeping in view the vast expertise and knowledge of the appointees, it will be in the interest of the Company that Shri Ravi Mehra, Smt. Meera Johri and Shri Ashish Harish Bhuvu are appointed as Independent Directors.

Copy of the draft letter of appointment of Shri Ravi Mehra, Smt. Meera Johri and Shri Ashish Harish Bhuvu as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

No director, Key Managerial Personnel or their relatives, except Shri Ravi Mehra, Smt. Meera Johri and Shri Ashish Harish Bhuvu to whom the resolutions relate are concerned or interested, financially or otherwise, in the resolution set out at Item no. 6,7&8 of this Notice.

The Directors recommend the resolutions for the approval of the members.

Item No.9

(I) Addition of new Article 95A

Under the first proviso to Section 203(1) of the Companies Act, 2013, it is stated that "an individual shall not be appointed or re-appointed as the Chairperson of the Company, in pursuance of the articles of the Company, as well as the Managing Director or Chief Executive Officer of the Company at the same time after the date of commencement of this Act unless,-

- (a) the articles of such a company provide otherwise; or
- (b) the company does not carry multiple businesses."

Accordingly, a provision is sought to be introduced in the Articles of Association of the Company to permit the Company to appoint the same individual as Chairperson as well as Managing Director or Chief Executive Officer of the Company.

New Article No. 95A as contained under Resolution No. 9 contains the proposed amendment which gives necessary right to the Board to appoint the same person as Chairman as well as Managing Director or Chief Executive Officer of the Company.

The Board recommends the special resolution as set out in Item No. 9 (i) of this Notice for approval of the members of the Company.

Other than Shri Chand Seth, Chairman and Managing Director of the Company and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 9 (i) of this Notice.

(ii) Substitution of Existing Article 138

The provisions of the Common Seal as mentioned in the Articles 138 of the Article of Association of the Company needs to be altered for better convenience and smooth functioning of the Company. Pursuant to the provisions of Section 14 of the Companies Act, 2013, any amendment(s) to the provisions of the Articles of Association of the Company requires the approval of the members by way of Special Resolution.

Accordingly, the Board recommends the special resolution as set out in Item No. 9 (ii) of this Notice for approval of members of the Company.

None of the Directors/Key Managerial Personnel or any relative of the Directors or the Key Managerial Personnel have any concern or interest in the aforesaid Resolution.

Item No. 10

The Shareholders of the Company had, in their Annual General Meeting held on Friday, the July 14, 1995, provided consent to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956, to borrow, from



time to time, any sum or sums of monies, provided the aggregate amount of borrowing at any point of time shall not exceed the limit of Rs. 250 crores.

With the notification of Section 180(1)(c) of the new Companies Act, 2013, Ministry of Corporate Affairs (MCA) vide its General Circular no. 04/2014 dated March 25, 2014, clarified that resolution passed under section 293(1)(d) of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings, shall be valid for a period of one year and the Companies are required to pass a fresh resolution under section 180(1)(c) of the new Companies Act, 2013.

Under section 180(1)(c) of the Companies Act, 2013, exercise of borrowing powers by the Board of Directors of the Company in excess of its paid up Share Capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business)

requires approval of the members of the Company by way of a Special Resolution.

It is, therefore necessary that the members pass a Special Resolution under section 180(1)(c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item no. 10 of the notice, to enable to the Board of Directors to borrow money, from time to time, in excess of the aggregate of its paid-up share capital and free reserves.

The Board of Directors recommends the resolution for the consideration and approval by the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 10 of this Notice.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of the Director who is proposed to be re-appointed are given below:

Name:	Mr. Varun Seth
Age:	41 years
No. of Shares Held in the Company:	5,97,778 Equity Shares
Qualifications:	Bachelors in Engineering (Industrial Production). Underwent onsite training in Japan during initial assignments.
Experience in Specific Functional Area:	He has vast experience in varied fields like manufacturing, marketing & administration and is associated with the Company for over 18 years now. He has been instrumental in setting up the Company's plant at Gurgaon and is also involved in activities at other plants located at Mahad, Baddi and Pant Nagar. He has also been actively involved in planning and framing of business strategies for introducing new products & clients for the Company.
Outside Directorships:	M/s. Pacific Pearl Finance & Leasing Limited M/s. Pearl Flats (India) Limited M/s. Theta Investment Pvt. Limited

By Order of the Board of Directors
Pearl Polymers Limited

Registered Office:
A-97/2, Okhla Industrial Area,
Phase-II, New Delhi-110 020
September 01, 2014

Deepika Sati
Company Secretary

DIRECTORS' REPORT

(₹ in Lacs)

Dear Members,

Your Directors are pleased to present the 43rd Annual Report and the Company's audited accounts for the financial year ended March 31, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Cautionary Statement

Certain statements in this section may be forward looking and be based on expectations/ projections about the future. Company's actual results, performance could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any of such forward looking statements on the basis of subsequent developments, information or events.

Industry Structure and Development

Over the past few decades, the Indian plastic industry has grown rapidly and has been able to find application in both the Industrial and household sector with innovation in specification and designs of varied products. This has provided an impetus to those in the industry to acquire technical expertise, achieve high quality standards and build capacities in various facets of industry.

Pearl Polymers Limited (PPL) is one of the leading manufacturers and exporters of PET bottles and containers representing the Indian Plastic Industry under the brand name "PEARLPET" with dominance in both institutional and retail segment state of the art production facilities at four locations viz. Baddi, Pant Nagar, Mahad and Jigani, in close proximity to our diversified customer base involved in manufacturing of blow-moulded PET bottles & containers and other injection-moulded plastic products.

PPL, an ISO: 9001 certified Company integrates the finest quality of certified raw materials using advanced injection stretch blow molding technology and stringent quality control procedures at all its units. The Company ensures getting new models and designs of its product with the best and unbeatable quality at reasonable prices to cater to the requirements and preferences of its customers.

Financial Highlights

During the year under review the Industry growth remained flat and the economic conditions continued to be under pressure. High interest rate, low policy visibility, increase in raw material prices, depreciation of rupee alongwith increasing inflation has impacted the profitability of the Company.

Despite these challenges, your Company has managed to overcome the obstacles and achieved a reasonable growth in gross Sales by 2.35%. The financial performance of the Company for the year ended March 31, 2014 as compared with the previous year's performance is summarised below:

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Revenue from Operations	22,513.42	21,849.33
Other Income	122.10	273.32
Total Revenue	22,635.52	22,122.65
Total Expenditure	22,583.46	22,902.50
Profit before Tax and Exceptional Items (PBT)	52.06	(779.85)
Exceptional Items	-	(2,427.89)
Tax Expenses:		
- Current Tax	5.68	407.00
- Demand Tax	(7.51)	(194.98)
- Tax adjustment for earlier year	0.00	15.43
Profit after Tax (PAT)	53.89	1,420.59

Dividend

The Directors consider it prudent to retain the profits of the Company for the current year for funding future expansion in the Company and regret their inability to recommend dividend on Equity shares of the Company for the financial year ended March 31, 2014.

Economic Scenario and Industry Outlook

PET is one of the most versatile and widely used plastics in the world. Many everyday products like food containers, synthetic fibres and almost all plastic bottles are made from PET. The Indian polymer market growth is closely linked to GDP growth. The Indian per capita plastic consumption is advancing at 1.5 times its GDP growth making India among the world's fastest growing polymer markets with a five-year CAGR of 10.7% (2008-2013). Approximately 65 million tonnes of PET are estimated to have been produced globally in 2012. This tonnage has grown at a compound annual growth rate of 7.25% over the last 20 years.

Despite strong growth over last few decades, the Indian market remains under-penetrated. The lower demand growth can be attributed to economic slowdown, deferment of capital expenditure by the government on infrastructure, currency volatility and liquidity crunch caused by higher interest rates.

However, the size of the India's plastics industry may touch Rs.1.7 lakh crores by 2015 on account of rising consumption of the material for producing various goods. With the formation of new government, economic growth is expected to accelerate in the next fiscal 2014-15. The Company remains cautiously optimistic in its outlook for the current financial year.



Opportunities and Challenges

The Indian plastic industry clearly has the potential to continue its fast growth. It is expanding at a phenomenal pace, with plastic being significantly used in innovating new applications in industries like automobile, electronics, food processing, packing, healthcare thereby increasing the demand for plastics altogether.

However, India's Plastic Industry still suffers competitively because it's much smaller than China's plastics sector. China has three to 20 times more production of most types of polymers than India, even though their populations are relatively equal. Over the next few years, competition in the industry is also expected to increase considerably, as a result of global trends, which will become applicable to the liberalizing economy of country.

To survive the competition, both polymer manufacturers and processors will need to adopt radically new methods and approaches to reduce costs, improve market and customer service and management of performance. Other factors that need consideration are weak Indian Currency, Dumping of products by China at lower price, un-organized sector, inflation etc.

Risk Management

In today's modern economy with the changing preferences, the business environment is changing at a very fast pace exposing the Company to different types and levels of risk. However, the Company has a well structured risk assessment and minimization mechanism, which is periodically reviewed by the Board of Directors.

Management of your Company always keeps stakeholders' interests in mind while taking all decisions such that their interests are not adversely affected. The Company has also put in place a risk management framework to identify, assess, prioritize and alleviate risk. The risks are periodically assessed and reviewed and corrective actions are taken to mitigate effects.

Internal Control System

Your Company has adequate internal control systems to ensure maintenance of proper accounting records, their accuracy and Accounting Standards, safeguarding of Company's assets and assessing its risk for insurance coverage. The internal audit function team comprises of well-qualified experienced professionals who control regular audits across the Company's operations. The management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors, Internal Auditors and the Independent Audit Committee of the Board of Directors.

CEO/CFO certification also confirms adequacy of internal control system and procedures in the Company.

Human Resource and Industrial Relations

PPL believes that human resources are the most precious assets of the Company. Company's ongoing thrust is to

maintain productive work culture and to orient the employees to effectively face the new and emerging challenges emanating from the competitive environment. Your Company is privileged to have the right blend of professionals and executives in the organization and makes sincere efforts to ensure numerous opportunities for their growth in the organization. As on March 31, 2014, 577 numbers of employees were on Company's Roll.

The Company also employed casual workers through contractors during the year. The job description of each member has been defined and performance indicators are monitored accordingly to improve motivation level and to encourage talent. The Industrial relations at all levels of the Company remained cordial during the year.

Listing of Equity Shares

The equity shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE Scrip Code 523260) and the National Stock Exchange of India Ltd (NSE Scrip code PEARLPOLY).

Public Deposits

During the year under review, deposits amounting to Rs.7.82 Lacs in respect of 47 depositors have been repaid/renewed and as on March 31, 2014, a sum of Rs.14.60 Lacs relating to 82 depositors remained unclaimed. In accordance with the provisions of the Companies Act, 1956, deposits along with interest thereon remaining unclaimed for a period of seven years have been deposited by the Company into the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has also filed a statement regarding deposits existing as on April 01, 2014 and Return of Deposits alongwith a Certificate from the Statutory Auditors thereon, with the Registrar of Companies, NCT of Delhi and Haryana, in pursuance of the Companies (Acceptance of Deposits) Rules, 2014.

Directors

The composition of the Board of Directors is in accordance with the provisions of the Companies Act, 1956 / Companies Act, 2013, the Articles of Association of the Company and satisfies the requirements envisaged in the Listing Agreement entered into with the Stock Exchanges.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 readwith the rules made thereunder and Articles of Association of the Company, Mr. Varun Seth, Whole time Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

As per the provisions of the Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Sh. Ravi Mehra, Smt. Meera Johri and Sh. Ashish Harish Bhuvra, as Independent Directors in the ensuing Annual General

Meeting. Details of the proposal for appointment of Sh. Ravi Mehra, Smt. Meera Johri and Sh. Ashish Harish Bhuvra are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice calling 43rd Annual General Meeting of the members of the Company.

The Company has received notice(s) in writing proposing their candidature for the office of Director. The necessary resolutions for their appointment are being placed before you.

During the year under review, Dr. Sai Ramachandran resigned from the Board of the Company. Your Directors expressed deep sense of gratitude and wishes to place on record their appreciation of the valuable contribution made by him during his tenure.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 pertaining to the Directors' Responsibility Statement, your Directors hereby confirm that:

- (i) in preparation of annual accounts, applicable accounting standards have been followed;
- (ii) the Accounting Policies selected in consultation with the Statutory Auditors have been applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of profit of the Company for that period;
- (iii) proper and sufficient care has been taken to the best of knowledge and ability 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) the annual accounts for the year have been prepared on a "going concern basis".

Auditors and Auditors' Report

M/s Sehgal Mehta & Co. (Firm Registration No. 003330N), Chartered Accountants, Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting. They offer themselves for re-appointment from the conclusion of the Forty-third Annual General Meeting till the conclusion of the Forty-sixth Annual General Meeting as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules' 2014.

The notes to the financial statements referred to in the Auditors' Report, are self-explanatory and therefore do not require any further comments.

Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

Within the Company there are continuous efforts to improve operational efficiencies and minimizing consumption of natural resources. Your Company actively makes efforts to increase awareness about the need to sustain the environment and constantly evaluates new initiatives that could reduce waste and emissions within the Company.

A statement on details pertaining to Energy Conservation,

Technology absorption and Foreign Exchange Earnings and Outgo, required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, forms part of this Directors' Report as Annexure-I

Particulars of Employees

During the financial year ended March 31, 2014, none of the employees was in receipt of remuneration exceeding limit specified under Section 217(2A) read with the amended Companies (Particulars of Employees) Rules, 1975.

Corporate Governance

Your Company believes that good Corporate Governance is the basis of stakeholders' satisfaction and is thus, committed to attain the highest level of transparency, accountability and compliance of law in all facets of operations.

A detailed report on Corporate Governance along with the certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of this report.

Acknowledgement & Appreciation

Your Directors take this opportunity to express their gratitude for the assistance and cooperation received from the shareholders, customers, vendors, financial institutions, banks, Government authorities for their consistent support and cooperation to the Company during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

On Behalf of the Board
Pearl Polymers Ltd.

Chand Seth
Chairman & Managing Director

Place: **New Delhi**

Date : **1st September, 2014**

**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE-I****STATEMENT OF PARTICULARS WITH RESPECT TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988****A. CONSERVATION OF ENERGY****a) Energy Conservation measures taken:**

Energy conservation through continuous improvement is given top most priority at all our offices & production units. In our endeavor of making our production facilities more energy efficient, following steps have been taken during the year under review.

1. Recently we have procured 02 nos. state of the art high capacity water chilling plants (Chillers) for our Mahad & Jigani operations. These chillers are provided with multi stage pumps & Scroll compressors which ensures optimum flow of chilled water through moulds at lesser power consumption.
2. One technically advanced injection moulding machine has been installed at our Mahad unit for production of preforms, this machine provide best in class energy efficiency.
3. We are in process of installing 02 nos Extrusion Blow moulding machines at our Baddi & Jigani units. These machines are having capability of processing PP as well as HDPE material. These machines require only Low Pressure air to blow & are less power consuming.
4. The average Power Factor of all the units are being maintained at 0.99 with the help of automatic power factor analyze & corrector. Better power factor attracts handsome rebate from state electricity boards, on monthly power bills.
5. Few of the Asbestos /Tin sheets of plant's roof have been replaced with translucent fiber sheets. These sheets enable entry of direct sunlight to plant and store area in day time which effectively reduces power consumption on lighting.
6. All cooling towers have been provided with accurate temperature sensors & controllers. These controllers switch off the tower fan automatically whenever tower water temp goes below a set value. This arrangement saves a significant amount of power specially in winter months.
7. We are working on idea of using Geothermal Cooling technology for keeping our production areas cool. This is green energy & attracts tax rebates from Govt of India, apart from this, the cost of running the system is significantly low in comparison to conventional air conditioning.
8. Our experiments in the direction of using recyclable outer cartons proved successful & some of our major clients have started using recyclable cartons. Efforts like this not only save energy but also reduces load on our forest reserves, which are essential for fighting 'Global Warming'.

b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:

Energy Conservation has been given top priority in our organization, being a continuous process, regular monitoring is being carried out by management to improve our performance and profit margins.

c) Impact of measures taken already and proposed vide (a) & (b) above are aimed at:

As a result of above mentioned efforts we successfully managed to keep impact of power tariff hike to a minimum on our operation costs.

Over-all quality of our Products & productivity has improved significantly by installing new efficient Chilling plants

d) Total energy consumption and consumption per unit of production as per Form A given below
FORM A
Form for Disclosure of Particulars with respect to Conservation of Energy

		Year Ended 2013-14	Year Ended 2012-13
(A)	POWER AND FUEL CONSUMPTION		
1.	Electricity		
a)	Purchased		
	Units (in '000 Kwh)	30,106	29,491
	Total amount (₹ in lacs)	1,861.09	1,730.79
	Rate/Unit (₹)	6.18	5.87
b)	Own Generation		
(i)	Through Diesel Generator		
	Units (in '000 Kwh)	474	2,428
	Units per litre of Oil	10.36	14.70
	Cost /Unit (₹)	5.16	3.01
(ii)	Through steam turbine/generator		
	Units (in '000 Kwh)	NIL	NIL
	Units per litre of Fuel Oil/Gas		
	Cost /Unit (₹)		
2.	Fuel Oils (FO, FOLV, LDO, HSD)	HSD	HSD
	Quantity (Kilo Litre)*	137	696
	Total cost (₹ in Lacs)	72.95	307.73
	Average rate/litre (₹)	53.43	44.23
	* including fuel used for power generation		
3.	Coal / Coke		
	Quantity (MT)	NIL	NIL
	Total cost (₹ in Lacs)		
	Average Rate/Kg. (₹)		
4.	Others/Internal Generation	NIL	NIL
	Quantity (MT)		
	Total cost (₹ in Lacs)		
	Average rate/Kg. (₹)		
	Production (In Mt)	11,764	12,812
B.	CONSUMPTION PER UNIT OF PRODUCTION		
1	Electricity (Unit per MT)	2,599.52	2,491.29
2	Fuel Oils (Ltr per MT)	11.61	54.31
3	Coal	NIL	NIL
4	Others	NIL	NIL

**B. EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B GIVEN BELOW:****FORM – B****Form of Disclosure of Particulars with respect to Technology Absorption 2013-14****1. RESEARCH & DEVELOPMENT (R&D)****a) Specific areas in which Research & Development was carried out by the company**

We have invested in new machines, moulds & other utility equipments to enhance our production capabilities. All this exercise has been carried out to improve our **customer satisfaction level**, which is our prime motive.

b) Benefits derived

By installing high productivity energy efficient machines & utility equipments, we have reduced our rejection levels significantly along with enhancement of 'Brand Image' & market presence.

c) Future Plan of Action:

Efforts are 'on' in the direction of automating our packaging operations, especially on our high production machine. This automatic packaging system will make our operations more swift & reliable.

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**a) Efforts made, in brief, towards technological absorption, adaptation and innovation**

The new processes & concepts in Plastics are being worked out for diversification, which will promote the usage of plastic packing in various products for which presently Glass / Metal or other materials are used. This exercise is to enhance our presence in Non PET kitchenware market

b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.

With all the above efforts, we have been able to run our processing machines efficiently. Moreover, we have been successful in penetrating into new markets where PET /PP can be used as a packaging solution.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO**a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:**

During the year under review, ₹ 71.35 Lacs of our revenues were derived from exports as compared to ₹ 29.85 lacs during previous financial year. Your Company is further exploring various possibilities of exporting PET Products to various countries.

b. Total Foreign Exchange earnings and outgo**(₹ in lakhs)**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Foreign Exchange Earnings (FOB Basis)		
(a) Export of finished goods	50.82	8.49
(b) Export of capital goods	20.53	21.36
Foreign Exchange Outgo (On FOB Basis)		
(a) Raw Material	21.55	-
(b) Capital Goods	3.61	4.66
(c) Travelling & Others	8.86	7.71

**DECLARATION OF COMPLIANCE BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL WITH
COMPANY'S CODE OF CONDUCT IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT.**

This is to confirm that all the Members of the Board of Directors of the Company and the Senior Management have affirmed their compliance with the Code of Conduct laid down for the Directors and Senior Management of the Company for the Financial Year ended 31st March, 2014.

This certificate is being given in compliance with the requirements of clause 49(I)(D)(ii) of the Listing Agreement entered in to with the Stock Exchanges.

For and on Behalf of the Board of Directors

Place: **New Delhi**
Dated: **30th April, 2014**

CHAND SETH
CHAIRMAN AND MANAGING DIRECTOR

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of Pearl Polymers Limited

We have examined the compliance of conditions of Corporate Governance by Pearl Polymers Limited for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Sehgal Mehta & Co.
Chartered Accountants
(Firm Regn. No. 003330N)

Place : **New Delhi**
Date : **August 8, 2014**

Naresh Khanna
Partner
Membership No. 081482

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY**

"Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."

OECD Principles of Corporate Governance

At Pearl Polymers Limited (PPL), we believe that Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. PPL is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeate throughout the organization.

Given below is a brief report for the financial year ended March 31, 2014, on the practices followed by the Company towards achievements of good Corporate Governance:

BOARD OF DIRECTORS

The Board of Directors of PPL provides strategic direction, evaluates the same and ensures long term interest of the stakeholders. It periodically reviews compliance with the applicable laws, rules and regulations at the departmental and organizational level.

The Board meets to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of performances with the goals and control functions. Some of the powers of the Board have been delegated to Committee(s) of Directors formed for different purposes with defined terms of reference.

Size and Composition of Board

The Board of Directors of the Company consists of optimum combination of Executive, Non Executive & Independent Directors to ensure independent functioning of the Board. All independent Directors meet the criteria of independence as defined in Clause 49 I(A)(iii) of the Listing Agreement with the Stock Exchanges.

The present strength of the Board is five, consisting of two Executive Directors (including Chairman & Managing Director) and three Non-Executive and Independent Directors.

The Composition of Board of Directors since April 01, 2013 till date is as under:

Name	Designation	Category of Directorship	
		Executive/ Non-Executive	Independent/ Non-Independent
Mr. Chand Seth	Chairman & Managing Director	Executive	Non-Independent
Mr. Varun Seth	Whole Time Director	Executive	Non-Independent
Dr. Sai Ramachandran ¹	Director	Non-Executive	Independent
Mr. Ramesh Mehra	Director	Non-Executive	Independent
Mr. Mahavir Singh	Nominee Director (HSI IDC)	Non-Executive	Independent
Ms. Meera Johri ²	Director	Non-Executive	Independent
Mr. Ravi Mehra ²	Director	Non-Executive	Independent

¹Dr. Sai Ramachandran, Non-Executive & Independent Director resigned from the Board w.e.f. February 28, 2014.

²Ms. Meera Johri and Mr. Ravi Mehra appointed as Non-Executive & Independent Directors by the Board of Directors of the Company w.e.f. May 26, 2014.

None of the Directors is inter se related to any other Director on the Board, except Shri Chand Seth and Shri Varun Seth, who are related to each other.

Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. All the members of the Board and the Executive Directors and senior financial officers have affirmed compliance with the Code of Conduct, as at March 31, 2014. A declaration to this effect, signed by Mr. Chand Seth, the Chairman & Managing Director, is provided as Annexure in this Report.

A copy of the Code of Conduct has also been put on the Company's website (www.pearlpet.net).

Board Meetings

During the year April 01, 2013 to March 31, 2014, five (5) Board Meetings were held on May 30, 2013; August 13, 2013; September 23, 2013; November 10, 2013 and February 11, 2014. The maximum time gap between any two consecutive meetings did not exceed four months as stipulated under clause 49 of the Listing Agreement.

PEARL Polymers Limited

Details on the attendance of Directors at Board Meeting, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies, as on March 31, 2014, are given below:

Name of Directors	Attendance at Meetings held during 2013-14		Number of Other Directorships ¹	Number of Committee Positions ²	
	Board Meetings	AGM held on 23.09.2013		Chairman	Member
Mr. Chand Seth	4	Present	4	0	1
Mr. Varun Seth	4	Present	2	0	1
Dr. Sai Ramachandran ³	4	Present	0 ³	0 ³	0 ³
Mr. Ramesh Mehra	5	Not Present	3	0	4
Mr. Mahavir Singh ⁴	0 ⁴	Not Present	5	0	2
Ms. Meera Johri ⁵	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Ravi Mehra ⁵	N.A.	N.A.	N.A.	N.A.	N.A.

¹The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under section 25 of the Companies Act, 1956/Section 8 of the Companies Act, 2013 and private limited companies.

²In accordance with the clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committee in all public limited Companies (including Pearl Polymers Limited) have been considered.

³Dr. Sai Ramachandran resigned from the Board w.e.f. February 28, 2014. No meeting of the Board of Directors held during the year under review after his cessation. The Chairmanship & Membership in Committees has not considered since his office got vacated before March 31, 2014.

⁴Mr. Mahavir Singh was granted leave of absence by the Board as per Section 283(1)(g) of the Companies Act, 1956, for not able to attend the Board Meetings.

⁵Ms. Meera Johri and Mr. Ravi Mehra appointed as Additional Directors (Non-Executive and Independent Director) w.e.f. May 26, 2014.

BOARD COMMITTEES

The Board has constituted four Committees viz:

1. Audit Committee
2. Stakeholders Relationship Committee*
3. Nomination and Remuneration Committee**
4. Finance Committee

*Re-constituted on May 26, 2014; name of the 'Shareholders'/Investors' Grievance Committee (SIGC)' changed to 'Stakeholders Relationship Committee (SRC)' and the Board re-defined the terms of reference of the SRC in its meeting held on May 26, 2014.

**Re-constituted on May 26, 2014; name of the 'Remuneration Committee' changed to 'Nomination and Remuneration Committee (N&RC)' and the Board re-defined the terms of reference of N&RC in its meeting held on May 26, 2014.

Composition of Board Committees

AUDIT COMMITTEE		SHAREHOLDERS' RELATIONSHIP COMMITTEE	
Dr. Sai Ramachandran ¹	Chairman	Dr. Sai Ramachandran ¹	Chairman
Mr. Ravi Mehra ²	Chairman	Ms. Meera Johri ³	Chairman
Mr. Ramesh Mehra	Member	Mr. Chand Seth	Member
Mr. Varun Seth	Member	Mr. Ramesh Mehra	Member
Ms. Meera Johri ³	Member	Mr. Ravi Mehra ²	Member
NOMINATION AND REMUNERATION COMMITTEE		FINANCE COMMITTEE	
Dr. Sai Ramachandran ¹	Chairman	Mr. Chand Seth	Chairman
Mr. Ravi Mehra ²	Chairman	Mr. Ramesh Mehra	Member
Ms. Meera Johri ³	Member	Dr. Sai Ramachandran ¹	Member
Mr. Ramesh Mehra	Member	Mr. Varun Seth	Member
Mr. Mahavir Singh	Member		

¹Consequent to the resignation from the Board of Directors, Dr. Sai Ramachandran ceased to be the Chairman of Audit Committee, Shareholders' Relationship Committee, Nomination & Remuneration Committee and Member of Finance Committee.

²Mr. Ravi Mehra appointed as the Chairman of the Audit Committee and Nomination & Remuneration Committee and Member of Shareholders' Relationship Committee w.e.f. May 26, 2014.

³Ms. Meera Johri appointed as Member of the Audit Committee and Nomination & Remuneration Committee and Chairman of the Shareholders' Relationship Committee w.e.f. May 26, 2014.

The Committees' composition meets the requirement of Section 177 & 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Number of Meetings of Board Committees held during the year & Attendance of Directors thereat :

Board Committees	Audit Committee	Stakeholders Relationship Committee (Formerly known as Shareholders'/Investors' Grievance Committee)	Nomination and Remuneration Committee (Formerly known as Remuneration Committee)
Meetings held	4	4	0
Directors Attendance			
Mr. Chand Seth	N.A	3	N.A
Mr. Varun Seth	3	N.A	N.A
Dr. Sai Ramachandran ¹	3	3	N.A
Mr. Ramesh Mehra	4	4	N.A
Mr. Mahavir Singh	N.A	N.A	N.A
Ms. Meera Johri ²	N.A	N.A	N.A
Mr. Ravi Mehra ³	N.A	N.A	N.A

¹Shows number of meetings attended by Dr. Sai Ramachandran during his tenure. No Meeting of the Board Committees held during the year under review after his cessation.

²Ms. Meera Johri nominated as the Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee and Nomination & Remuneration Committee w.e.f. May 26, 2014.

³Mr. Ravi Mehra nominated as the Chairman of the Audit Committee and Nomination & Remuneration Committee and Member of the Stakeholders Relationship Committee w.e.f. May 26, 2014.

AUDIT COMMITTEE

The Company has constituted a Qualified and Independent Audit Committee to ensure compliance. Audit Committee comprises of three Non-Executive and Independent Directors and one Executive Director. Chairman of the Audit Committee is Non-Executive and Independent Director.

All members of the Committee including Chairman are versed in finance and possess adequate knowledge in the area of accounts.

Term of Reference

The Board of Directors of the Company re-constituted Audit Committee in its meeting held on May 26, 2014 and re-defined roles, powers and terms of reference of the Audit Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement. These include, inter-alia, reviewing financial reporting process, recommending appointment, re-appointment, replacement/ removal of the Statutory Auditor to the Board, reviewing performance of Statutory and Internal Auditors, adequacy of internal control systems, approving appointment of CFO and such other functions as may be prescribed by the Companies Act, Listing Agreement, other applicable laws or as may be delegated by the Board, from time to time.

The recommendation of the Audit Committee on any matter relating to financial management including the audit report is binding on the Board.

Audit Committee meetings are also attended by Chief Financial Officer (CFO) and representatives of the Statutory Auditors on invitation.

Ms. Deepika Sati, Company Secretary and Compliance Officer, acts as the Secretary to the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

(Formerly known as 'Remuneration Committee')

The Board of Directors in its meeting held on May 26, 2014, re-constituted Remuneration Committee and changed its name to 'Nomination and Remuneration Committee (N&RC)' in compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Composition of the Committee, details of meetings and attendance are given hereinabove under the head 'Board Committees'.

Terms of Reference

The re-defined terms of reference of Nomination & Remuneration Committee include, inter-alia, identification of persons who are qualified to become Directors or in senior management, recommendation to the Board of their appointment or removal; review and recommend the remuneration packages of the Directors; evaluation of Directors' performance etc.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing Industry Practice.

The details of the Remuneration, Allowances and Perquisites paid to the Executive Directors during the Financial Year 2013-14, are given herein below:

(₹ in Lacs)

Name & Designation	Salary	Allowance & Perquisites	P.F Contribution/ Superannuation	Sitting Fees*	Total
Executive Directors					
Mr. Chand Seth	24.00	18.00	2.88	-	44.88
Mr. Varun Seth	17.25	25.87	4.77	-	47.89

Sitting fees @ ₹1000/- per meeting was paid to the Non-Executive Directors for attending meetings of the Board of Directors during the year under review.

STAKEHOLDERS RELATIONSHIP COMMITTEE

(Formerly known as 'Shareholders'/Investors' Grievance Committee')

The name of the Shareholders'/Investors' Grievance Committee changed to Stakeholders Relationship Committee (SRC) w.e.f. May 26, 2014 and the terms of reference of SRC re-defined by the Board according to the provisions of Companies Act, 2013 and Listing Agreement.

The Composition of the Committee, details of meetings and attendance are given hereinabove under the head 'Board Committees'.

Key Responsibilities:

The Stakeholders Relationship Committee, inter-alia, approves issuance of duplicate share certificates and reviews all matters connected with the transfer/transmission of securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to transfer of shares, non receipt of annual reports, non-receipt of declared dividend, etc. The Committee also oversees performance of the Registrars and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor services.

Details of Queries/Complaints received and resolved during the Financial Year 2013-14:

S. No.	Nature of Query/Complaint	Received (Nos.)	Resolved (Nos.)	Pending (Nos.)
1	Request for change of address	11	11	Nil
2	Request for duplicate shares/ splitting/ consolidation of share certificates	03	03	Nil
3	Request for dematerialization/ rematerialization of shares	43	43	Nil
4	Request for share transfer/ share transmission	07	07	Nil
5	Complaints from Stock Exchanges/ SEBI/ Depositories	02	02	Nil
6	Misc. requests including redemption of debentures, unclaimed dividend, annual reports etc.	09	09	Nil



The Company addresses all complaints, suggestions, and grievances expeditiously and replies have been sent/issues resolved usually within 15 days from the date of receipt, subject to the accuracy of requisite documents and information.

FINANCE COMMITTEE OF DIRECTORS

In addition to above Committees, the Board of Directors of the Company has also constituted a Committee known as the "Finance Committee" specifically to review/make banking arrangements; to approve short term and long term investments; to arrange on lease or hire purchase any asset for the purpose of the Company; to approve transfers/transmission of shares, allotment of shares and other financial transactions, within the limits specified by the Board and to deal with any other matter as may be delegated to the committee by the Board from time to time.

The said Committee comprises of Mr. Chand Seth as its Chairman, Mr. Varun Seth and Mr. Ramesh Mehra as its Members. The Committee meets fortnightly to approve share transfers/transmission and consider such other matters as may be delegated by the Board from time to time and at such other times, when it is considered necessary to transact any important business.

GENERAL BODY MEETINGS

The details of the Annual General Meetings held during the preceding three years and the special resolutions passed thereat are as follows:

Year ended March 31,	AGM	Location	Date	Time	No. of Special Resolution(s) Passed
2011	40 th AGM	MPCU, Shah Auditorium, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi- 110054	Sep 22, 2011	11:30 a.m.	Four (4)*
2012	41 st AGM	PHD Chamber of Commerce & Industry (Modi Hall), PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016	Sep 20, 2012	11:30 a.m.	One (1)**
2013	42 nd AGM	A-97/2, Okhla Industrial Area, Phase-II, New Delhi – 110 020	Sep 23, 2013	11:30 a.m.	One (1)***

Special Resolutions passed in the Annual General Meeting held during the last three years:

***2011: Following Special Resolutions were passed with requisite majority at the 40th AGM**

1. Re-appointment of Mr. Chand Seth as the Chairman & Managing Director and Remuneration payable to him;
2. Reappointment of Mr. Harish Seth as the Managing Director and Remuneration payable to him;
3. Appointment of Mr. Amit Seth as an Officer in place of profit;
4. Appointment of Mr. Udit Seth as an Officer in place of profit.

****2012: Following Special Resolution was passed with requisite majority at the 41st AGM**

1. Reappointment of Mr. Varun Seth as Whole Time Director and Remuneration payable to him.

*****2013: Following Special Resolution was passed with requisite majority at the 42nd AGM**

1. Alteration in the Articles of Association of the Company.

No special resolution was passed through postal ballot during the financial year 2013-14. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through postal ballot.

DISCLOSURES

● Materially Significant Related Party Transactions

During the year under consideration, none of the transactions with any of the related parties were in conflict with the Company's interest. The details of the related party transactions are presented in notes no. 40, 41 & 42 to the financial statements for the year ended March 31, 2014, forming part of the Annual Report.

● Compliance

During the preceding three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities on matters relating to capital market.

● Accounting Standards

The Company follows the accounting treatment as prescribed in accounting standard and the details of same appear in the notes to financial statements section of this annual report.

● Risk Management

The Company has a well defined Risk Management Framework in place, which helps the management to identify and monitor the business risks on a continuous basis and initiate appropriate risk mitigation steps as and when deemed necessary. The Company periodically places before the board for review, the risk assessment and minimization procedures being followed by the Company.

● CEO/CFO Certification

Mr. Chand Seth, Chairman & Managing Director and Mr. Rajesh Mehra, Chief Financial Officer (CFO) have furnished the requisite certificate to the Board of Directors confirming that the financial statements present true and fair view of the Company's affairs and are in compliance with the existing accounting standards and other applicable laws & regulations.

A copy of the said certificate forms part of this Annual Report.

MEANS OF COMMUNICATION

The audited financial results, quarterly results and half-yearly results of the Company were published in English Newspaper ('Financial Express') and Hindi newspaper ('Haribhumi') within 48 hours of conclusion of the Board Meetings at which the financial results were approved. The Company's web site contains a separate section "INVESTOR", where shareholder information is available. The Annual Report of the Company containing director's report along with annexure to director's report, financial statements, auditor's report thereon and other important information are circulated to the members and others entitled thereto.

The Company has also been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and financial results on the website of NEAPS (National Electronic Application Processing System) viz. www.connect2nse.com.

The Company has designated an e-mail id investor_helpdesk@pearlpel.net. exclusively for investor servicing. The investors' complaints are also processed in centralized web based complaints Redressal System controlled by SEBI known as SEBI Complaint redress system (SCORES).

Communication Address for Investors :

Ms. Deepika Sati
Company Secretary & Compliance Officer
A-97/2, Okhla Industrial Area, Phase-II,
New Delhi-110020
Phone No: 011- 47385300
Fax No: 011-47480746
Email: deepikatsati@pearlpel.net

Registrar & Share Transfer Agent :

M/S. MAS SERVICES LIMITED
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi -110020
Ph: 011-26387281/82/83
Fax: 011-26387384
Email: mas_serv@yahoo.com

GENERAL SHAREHOLDERS' INFORMATION
43rd Annual General Meeting

Day, Date and Time	Monday, September 29, 2014 at 11.30 a.m.
Venue	A-97/2, Okhla Industrial Area, Phase - II, New Delhi - 110020
Book Closure	September 23, 2014 to September 29, 2014 (Both Days Inclusive)
Dividend Payment Date	N.A.
Financial year	The financial year under review was from April 1, 2013 to March 31, 2014. The next financial year is from April 1, 2014 to March 31, 2015.

**Calendar in respect of Audited/Un-audited Results for the Financial Year 2014-15 (Tentative)**

June 30, 2014	Un-audited	On or before August 14, 2014
September 30, 2014	Un-audited	On or before November 14, 2014
December 31, 2014	Un-audited	On or before February 14, 2015
March 31, 2015	Audited	On or before May 30, 2015

Listing on the Stock Exchanges and Stock Code

S. No.	Stock Exchanges	Stock Code	Equity ISIN
1.	Bombay Stock Exchange Ltd. (BSE)	523260	INE844A01013
2.	National Stock Exchange of India Ltd. (NSE)	PEARLPOLY	

Compliance Officer

Consequent to the resignation of Ms. Chandni Gupta, Company Secretary & Compliance Officer of the Company w.e.f. November 15, 2013, the Board of Directors appointed Ms. Deepika Sati as the Company Secretary & Compliance Officer of the Company w.e.f. March 04, 2014.

Payment of Listing Fees

Annual Listing fee for the financial year 2013-14 and 2014-15 has been paid by the Company to BSE and NSE on receipt of respective invoices.

Payment of Depository Fees

The Company has made payment of Annual Custody fee for the financial year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of the beneficial records maintained with them as on March 31, 2014.

Market Information

Monthly high, low and close price of shares traded at the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE) for the financial year 2013-14 are as follows:

(in ₹)

Month/ Year	NSE				BSE			
	High Price	Low Price	Close Price	CNX Nifty	High Price	Low Price	Close Price	Sensex
Apr' 13	9.60	9.15	9.50	5930.20	10.50	9.98	10.49	19504.18
May' 13	9.45	9.00	9.00	5985.95	9.97	9.97	9.97	19760.30
Jun' 13	9.00	9.00	9.00	5842.20	-	-	-	19395.81
Jul' 13	-	-	-	5742.00	-	-	-	19345.70
Aug' 13	-	-	-	5471.80	10.40	10.40	10.40	18619.72
Sep' 13	9.00	5.80	5.80	5735.30	-	-	-	19379.77
Oct' 13	6.05	5.20	5.45	6299.15	9.89	8.50	8.50	21164.52
Nov' 13	5.50	5.25	5.50	6176.10	8.08	5.70	5.70	20791.93
Dec' 13	5.90	5.40	5.65	6304.00	5.78	4.98	5.35	21170.68
Jan' 14	6.75	5.15	6.20	6089.50	6.51	5.10	6.51	20513.85
Feb' 14	8.45	6.10	6.85	6276.95	9.15	6.30	7.53	21120.12
Mar' 14	7.35	6.40	6.70	6704.20	7.20	6.09	7.00	22386.27

Share Transfer System

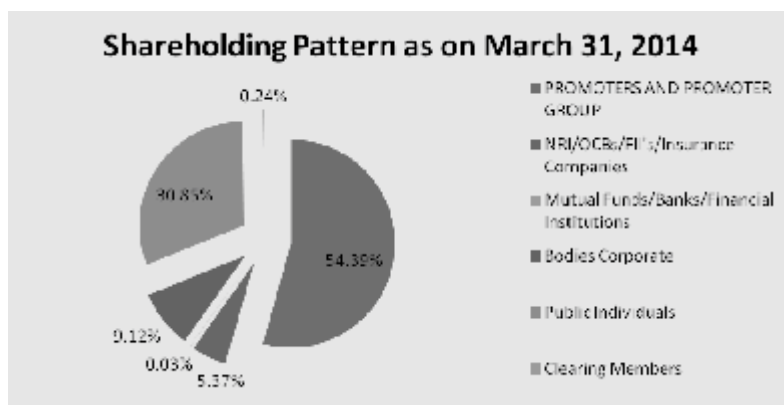
Transfer of shares existing in physical form are processed and duly endorsed share certificates are issued within stipulated time subject to validity of documents lodged for processing. The transfer documents can be lodged with the RTA at the above mentioned address for transfer of shares existing in physical form. Transfer of shares held in dematerialised form is done through the depositories with no involvement of the Company. The Board of Directors of the Company has delegated the authority to approve transfer, transmission etc. of shares and securities of the Company to its Finance Committee. The Committee meets fortnightly to approve the share transfer/transmission requests. The minutes of such committee meetings, are placed before the Board at every Board Meeting.

Further, Pursuant to Clause 47(c) of the Listing Agreement, half yearly certificates from a Practicing Company Secretary, confirming due compliance of share transfer formalities has been obtained by the Company and the same has also been submitted to the Stock Exchanges within the stipulated time.

PEARL Polymers Limited

Shareholding Pattern as on March 31, 2014

Particulars	No. of Shares	% of shareholding
Promoters and Promoter Group (A)	9,155,80	354.39
Public Shareholding (B)		
NRI/OCBs/FII's/Insurance Companies	904,150	5.37
Mutual Funds/Banks/Financial Institutions	5,87	00.03
Bodies Corporate	1,535,18	09.12
Public Individuals	5,193,81	830.85
Clearing Members	40,11	10.24
Total (A) + (B)	16,834,93	2100.00



Distribution of shareholding as on March 31, 2014

Shareholding of Nominal Value (in ₹)	No. of Shareholders	% to total Shareholders	No. of Shares	Share Amount (in ₹)	% of Shareholding
Up to 5000	9,496	92.123	1,291,338	12,913,380	7.671
5001-10000	450	4.366	373,639	3,736,390	2.219
10001-20000	173	1.678	263,719	2,637,190	1.566
20001-30000	57	0.553	148,141	1,481,410	0.880
30001-40000	20	0.194	70,564	705,640	0.419
40001-50000	23	0.223	108,393	1,083,930	0.644
50001-100000	32	0.310	247,377	2,473,770	1.469
100001 & above	57	0.553	14,331,761	143,317,610	85.131
Total	10,308	100.00	16,834,932	168,349,320	100.00

Dematerialization of Shares

Mode of Holding	No. of Shares	% with respect to total numbers of shares
NSDL	14,491,373	86.08
CDSL	1,162,700	6.91
Physical	1,180,859	7.01
Total	16,834,932	100.00



The Equity Shares of the Company are in compulsory demat segment and are available for trading in both the depositories viz. NSDL & CDSL. Up to March 31, 2014, 92.99% of the Company's paid-up Equity Share Capital has been dematerialized against 92.92% upto March 31, 2013.

Outstanding GDRS/ADRS/Warrants or Any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any other instruments which are pending for conversion, likely to have impact on Equity as on date.

Plant Location

Sl. No	Location	Address
1.	Mahad	B-3/2/1, MIDC, Industrial Estate, Mahad, Dist. Raigad, Maharashtra -403302 B-3/2/2, MIDC, Industrial Estate, Mahad, Dist. Raigad, Maharashtra -403302 B-3/2/3, MIDC, Industrial Estate, Mahad, Dist. Raigad, Maharashtra -403302
2.	Jigani	13-A, Part-I Jigani Industrial Area, Dist. Anekal, Bangalore, Karnataka
3.	Baddi	Khasra No. 512-513, Village - Sandholi (Baddi), Tehsil- Nalagarh Dist. Solan (H.P)
4.	Pant Nagar	Plot No 45, Sector 3, Village Kalyanpur, Tehsil Kichha, Dist. U.S Nagar, IIE, Pant Nagar, Uttaranchal

Details of Compliance with Mandatory Requirements/Adoption of Non Mandatory Requirements of Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements laid under Clause 49 of the Listing Agreement and has adopted the following non mandatory requirements as mentioned in Annexure I D of the said clause:

- (i) **Remuneration Committee:** The Board of Directors has constituted a remuneration committee, the brief of which has been provided under the section 'Board Committees'.
- (ii) **Training of Board Members:** The Board's policy is to have separate meetings regularly with Independent Directors to update them on all business-related issues and new initiatives. In such meetings, the Executive Directors and other members of the senior management share point of views and leadership thoughts on relevant issues. The Company also facilitates the continual education requirements of its directors. The Board members are continuously briefed by the Chairman and Managing Director on the developments and performance of the Company to facilitate them to appraise the performance at regular intervals and give suggestions for improvements.



**CEO AND CFO CERTIFICATION IN TERMS OF CLAUSE 49(V)
OF THE LISTING AGREEMENT**

To,

The Board of Directors,

Pearl Polymers Limited

A-97/2, Okhla Industrial Area,

Phase – II,

New Delhi – 110020

Dear Sir(s),

1. We have reviewed the Balance Sheet, Statement of Profit and Loss Account and all its Schedules and Notes to Financial Statements, as well as the Cash Flow Statement as at 31st March, 2014 and certify that to the best of our knowledge and belief:
 - a) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
 - b) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with the Accounting Standards, as amended, Indian Generally Accepted Accounting Principle (GAAP) and the revised Schedule VI of the Companies Act 1956, and other applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year which is fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :
 - a) Designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared:
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 Principle:
 - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures:
 - d) Disclosed in the Report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
4. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing the equivalent functions).
 - a) All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b) Significant changes in internal controls during the year covered by this Report.
 - c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the Financial Statements.
 - d) Instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.

Place: **New Delhi**

Date: 16th May, 2014

Rajesh Mehra

Chief Financial Officer

Chand Seth

Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PEARL POLYMERS LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **Pearl Polymers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
 - On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N. No. 03330N
NARESH KHANNA
Partner
M.No: 081482

Place: New Delhi
Dated: May 26, 2014

Annexure to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

- In respect of its fixed assets:
 - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- In respect of its inventories:
 - The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The discrepancies between the physical stock and book stock have been adjusted in the books.
- In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - In our opinion and according to information given to us, the company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly provisions of paragraphs 4(iii) (b) to 4(iii)(d) of the Order are not applicable.
 - In our opinion and according to information given to us, the Company has taken unsecured loans with from three parties covered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to ₹ 85 Lacs. The loans have not been fully repaid during the year to the parties covered u/s 301 of the Companies Act, 1956. The balance as on the close of the year was ₹ 97.50 lacs. In respect of loans (with interest).
 - In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which fixed deposit and loan have been taken from the parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
 - In respect of the fixed deposit and loan taken, the company is repaying the principal amount and paying the interest as stipulated.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rupees Five Lakhs or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of Act, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of deposits accepted.
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of statutory dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable. There are no amounts due & outstanding for the period exceeding 6 months as at March 31, 2014 to be credited to Investor Education & Protection Fund.
- b) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Assessment u/s 143(3)	7.48	Assessment year 2010-11	CIT(A)-Delhi Circle 14(I)
The Central Excise Act, 1944	Producing and clearing dutiable and non-dutiable product under Notification No.4/97	360.59	March 1997 to June 1997	Supreme Court of India
The Central Excise Act, 1944	Excise duty on freight	72.72	March 1997 to December 2001	Supreme Court of India
The Central Excise Act, 1944	Interest on differential duty paid in respect of supplementary invoices	0.40	January 2001 to April 2003	Central Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films	72.65	August 2001 to February 2006	Commissioner of Central Excise, Raigad
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films	9.11	March 2006 to February 2007	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films / Shrink Sleeves	4.35	March 2007 to January 2008	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films / Shrink Sleeves	4.27	February 2008 to December 2008	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Penalty	7.50	2004-05	CESTAT Delhi.
The Central Excise Act, 1944	Excise Duty Penalty Interest	61.95 61.95 81.47	2002-03	CESTAT Delhi
The Central Excise Act, 1944	Disallowance of Cenvat Credit on Shrink Films/Shrink Sleeves	0.42	February 2009 to December 2009	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of Cenvat Credit on the supply of pet chips	5.00	July 2004 to August 2004	Commissioner of Customs & Central Excise (Appeals), Mumbai III
The Central Excise Act, 1944	Service Tax demand on transportation – Abatement not allowed	0.04	January 2005 to March 2005	Assistant Commissioner of Central Excise, CBD Belapur
The Sales Tax Act	Sales tax in respect of exempted sales	32.48	2002-03 & 2003-04	Sales tax Appellate Tribunal, Haryana.
The Central Excise Act, 1944	Disallowance of CENVAT Credit on Shrink Films/Shrink Sleeves	0.10	January 2010 to December 2010	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of CENVAT Credit on Shrink Films/Shrink Sleeves	0.33	January 2011 to October 2011	Assistant Commissioner of Central Excise, CBD Belapur
The Central Excise Act, 1944	Disallowance of CENVAT Credit on Shrink Films/Shrink Sleeves	2.56	November 2011 to September 2012	Assistant Commissioner of Central Excise, CBD Belapur
The Sales Tax Act	Assessment order passed	9.61	2009-10	Assistant Commissioner of Sales Tax
The Sales Tax Act	Exemption given for business expansion under FAVC is not supported by 'C' Forms	19.77	2002-03	Dt. Commissioner of Commercial Taxes, Bangalore
	Total	814.75		

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund /nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. The Company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N. No. 03330N
NARESH KHANNA
Partner
M.No: 081482

Place: New Delhi
Dated: 26.05.2014

**BALANCE SHEET AS AT MARCH 31, 2014**

PARTICULARS	Note No.	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	1,682.69	1,682.69
(b) Reserve and Surplus	3	4,517.67	4,463.78
		<u>6,200.36</u>	<u>6,146.47</u>
Non-current liabilities			
(a) Long-term borrowings	4	279.52	522.02
(b) Deferred tax liabilities (Net)	5	739.55	747.06
(c) Other Long-term liabilities	6	268.68	103.71
(d) Long-term provisions	7	275.79	287.84
		<u>1,563.54</u>	<u>1,660.63</u>
Current liabilities			
(a) Short-term borrowings	8	3,297.98	3,586.21
(b) Trade payables	9	2,527.37	2,552.39
(c) Other current liabilities	10	1,082.49	1,344.98
(d) Short-term provisions	11	80.83	85.65
		<u>6,988.67</u>	<u>7,569.23</u>
TOTAL		<u><u>14,752.57</u></u>	<u><u>15,376.33</u></u>
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(i)	6662.05	6626.42
(ii) Intangible assets	12(ii)	2.71	4.96
		<u>6664.76</u>	<u>6631.38</u>
(b) Non-current investments	13	191.41	179.33
(c) Long-term loans and advances	14	319.44	255.87
(d) Other non-current assets	15	16.15	16.15
		<u>527.00</u>	<u>451.35</u>
Current assets			
(a) Inventories	16	2,267.75	1,918.59
(b) Trade receivables	17	3,957.17	4,501.36
(c) Cash and bank balances	18	396.80	571.16
(d) Short-term loans and advances	19	127.00	85.78
(e) Other current assets	20	812.09	1,216.70
		<u>7,560.81</u>	<u>8,293.60</u>
TOTAL		<u><u>14,752.57</u></u>	<u><u>15,376.33</u></u>

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements
As per our report of even date

1
2-48

*On Behalf of the Board***For SEHGAL MEHTA & CO**

Chartered Accountants
(FRN No.003330N)
Naresh Khanna
Partner
Membership No. 081482
Place: New Delhi
Date : May 26, 2014

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

RAJESH MEHRA
Chief Financial Officer

DEEPIKA SATI
Company Secretary



PEARL Polymers Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	Note No.	For the Year Ended March 31, 2014 (₹ in lakhs)	For the Year Ended March 31, 2013 (₹ in lakhs)
Income			
Revenue from operations (gross)		23653.90	23110.96
Less: Excise duty		1140.48	1261.62
Revenue from operations (net)	21	22513.42	21,849.33
Other income	22	122.10	273.32
Total Revenue (I)		22635.52	22,122.65
Expenses			
Cost of materials consumed	23	15244.01	14,274.34
Changes in inventories of Finished Goods, Stock in Process and Stock in Trade	24	(403.33)	315.42
Employees benefits expnese	25	1530.01	1,817.21
Other expenses	26	4711.14	4,767.34
Prior period adjustments	27	0.34	0.62
Total Expenses (II)		21082.17	21,174.93
Earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA) [I-II]		1553.35	947.72
Depreciation and amortization expense	28	722.33	883.86
Finance costs	29	778.96	843.70
Exceptional Items		-	(2,427.89)
Profit/(loss) before tax		52.06	1,648.04
Tax Expense			
(1) Current tax		5.68	407.00
(2) Dererred tax		(7.51)	(194.98)
(3) Tax adjustment for earlier year		-	15.43
Total tax expense		(1.83)	227.45
Profit/(loss) for the year		53.89	1,420.59
Earning per equity share of face value of ₹10 each:	30		
Basic		0.32	8.44
Diluted		0.32	8.44

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements
As per our report of even date

2-48

On Behalf of the Board

For SEHGAL MEHTA & CO

Chartered Accountants

(FRN No.003330N)

Naresh Khanna

Partner

Membership No. 081482

Place: New Delhi

Date : May 26, 2014

CHAND SETH

Chairman & Managing Director

VARUN SETH

Whole-Time Director

RAJESH MEHRA

Chief Financial Officer

DEEPIKA SATI

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014**

	For the Year Ended March 31, 2014 (₹ in lakhs)	For the Year Ended March 31, 2013 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net (loss)/profit before tax	52.06	1648.04
Adjustments for :		
Depreciation/Amortisation	722.33	883.86
Interest Expense	778.96	843.70
Interest Income	(44.59)	(113.47)
Dividend Income	(0.05)	(3.08)
(Profit)/loss on sale of assets	(7.99)	(2941.67)
Provision for diminution in investment/(written back)	0.00	487.19
Operating profit before working capital changes	1500.72	804.57
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	544.19	(1034.95)
- (Increase)/Decrease in Other Receivables	314.86	(1035.39)
- (Increase)/Decrease in Inventories	(349.16)	435.53
- Increase/(Decrease) in Trade and Other Payables	(132.53)	171.10
Cash generated from operations	1878.08	(659.14)
- Taxes (Paid) / Received	(10.30)	(442.61)
Net cash from operating activities (a)	1867.78	(1101.75)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets		
Additions during the period	(773.89)	(537.93)
Proceeds from Sale of fixed assets	26.17	3587.17
(Purchase)/ Sale of Investment	(12.08)	-
Interest Received (Revenue)	40.48	114.78
Dividend Received (Revenue)	0.05	3.08
Net cash used in investing activities (b)	(719.27)	3167.10
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share capital Issued	-	-
Share capital redeemed	-	(1033.00)
Proceeds from long term borrowings(Net)	(214.48)	(435.38)
Proceeds from Short Term Borrowing	(316.25)	368.79
Capital subsidy received	-	-
Interest Paid	(785.84)	(856.16)
Dividend Paid (including dividend Tax)	-	-
Net cash used in financing activities (c)	(1316.57)	(1955.75)
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	(168.06)	109.60
Cash and cash equivalents as at 01.04.2013	337.44	227.84
Cash and cash equivalents as at 31.03.2014	169.38	337.44
Cash and cash equivalents comprise		
Cash in hand	14.85	8.33
Cheques in hand	3.67	176.78
Balance with Scheduled Banks	150.86	152.33
	169.38	337.44

1 The above Cash Flow Statement has been prepared under the indirect method setout in AS-3 notified in the Companies (Accounting Standard) Rules, 2006.

2 Figures in brackets indicate cash outgo.

3 Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement
referred to in our report of even date

On Behalf of the Board

For SEHGAL MEHTA & CO

Chartered Accountants

(FRN No.003330N)

Naresh Khanna

Partner

Membership No. 081482

Place: New Delhi

Date : May 26, 2014

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

RAJESH MEHRA
Chief Financial Officer

DEEPIKA SATI
Company Secretary

Notes to financial statements for the year ended March 31, 2014**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared on the accrual basis under the historical cost convention and in compliance with the applicable Accounting Standards referred in section 211 (3C) and other requirements of the Companies Act, 1956.

B) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared and presented as per the format prescribed under the revised Schedule VI notified under the Companies Act, 1956.

C) FIXED ASSETS:

Fixed assets are stated at cost of acquisition (less accumulated depreciation). Cost includes freight, duties, taxes & other incidental expenses related to acquisition and installation of fixed assets.

D) DEPRECIATION:

Depreciation on fixed assets is provided on straight-line method at rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 except for lease hold land, which is amortized over the period of the lease. The depreciation on assets acquired/sold/discarded during the year is provided from/up to the period the assets is acquired/sold or discarded.

E) INTANGIBLES:**COMPUTER SOFTWARE**

Software which is not an integral part of the related hardware, is classified as an intangible asset and is being amortized over a period of five years, being the estimated useful life.

F) INVESTMENTS:

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary, in the opinion of the management. Current investments are valued at lower of cost or fair value.

G) INVENTORIES:

Raw materials, packing Materials and stores & spares are valued at lower of cost determined on FIFO basis & net realizable value. Semi finished goods (Pet Preforms) and finished goods & accessories are valued at lower of weighted average cost including applicable manufacturing overheads and net realizable value.

H) INCOME:

Sales of goods is recognized at the point of dispatch to the customer, except in the case of export sales, which are recognized as per the terms of the contract. Sales are inclusive of Excise Duty and net of trade discounts.

I) EMPLOYEES BENEFITS:**(a) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment Benefits

i) **Defined Contribution Plans:** The company's managed Provident Fund scheme, state governed pension fund scheme, employee state insurance scheme and superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) **Defined Benefit Plans:** The employees' gratuity fund scheme is a Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

Gains or losses on the curtailment or settlement of any defined benefit plan is recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

(c) Other Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date. Contribution to Provident Fund is charged to Profit & Loss Account as incurred. Gratuity and Leave encashment benefits are charged to Profit & Loss Account on the basis of amount determined actuarially at the year end. Superannuation is provided on the basis of amount paid/payable under the insurance scheme, taken from Life Insurance Corporation of India.

J) RESEARCH AND DEVELOPMENT EXPENSES:

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue Expenditure is charged to Profit & Loss Account of the year in which they are incurred.

K) LEASE ASSETS

- i. For assets acquired on lease prior to 31.3.2001, the lease rentals are charged to Profit and Loss Account.
- ii. For assets acquired on lease after 01.04.2001, in terms of Accounting Standard (AS-19) issued by the Institute of Chartered Accountants of India, lease of assets under which all the risks and benefits of ownership is effectively retained by the lessor are classified as operating lease. Payment made under operating lease is charged to profit and loss account on a straight-line basis over the period of lease.

L) BORROWING COST

Borrowing cost that are attributable to the acquisition of qualifying assets are capitalized up to period such assets are ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

M) GOVERNMENT GRANTS

- i. Government grants relating to specific fixed assets are adjusted with the value of fixed assets.
- ii. Government grants in the nature of promoters' contribution, i.e., which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- iii. Government grants related to revenue items are either adjusted with the related expenditure or shown under the schedule "Other Income", in case direct linkage with the cost is not determinable.

N) TAXES ON INCOME

- I. Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.
- II. Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.
- III. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under tax laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

O) FOREIGN CURRENCY TRANSACTIONS

- i. Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the date of transaction.
- ii. Foreign currency monetary items are translated at year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- iii. The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purpose is amortized as an expense or income over the life of the contract.

P) IMPAIRMENT OF ASSETS

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent cash flows) are identified using external and internal sources of information and impairment loss if any, is determined and recognized in accordance with the Accounting Standard (AS) 28 issued in this regard by The Institute of Chartered Accountants of India.

Q) PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Note -2
SHARE CAPITAL
AUTHORISED

3,00,00,000(Previous Year-3,00,00,000)

Equity shares of ₹10/- each

20,00,000(Previous Year-20,00,000)

Non Cumulative (Previous year Non Cumulative)

Redeemable Preference Shares of ₹100/- each]

ISSUED, SUBSCRIBED & FULLY PAID UP

168,34,932(Previous Year 168,34,932)

Equity shares of ₹ 10/-each.

Less : Calls in Arrears

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
	3000.00	3000.00
	2000.00	2000.00
	<u>5,000.00</u>	<u>5,000.00</u>
	1683.49	1683.49
	<u>(0.81)</u> 1682.69	<u>(0.81)</u> 1682.69
Total issued, subscribed and fully paid-up capital	<u>1,682.69</u>	<u>1,682.69</u>

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the Company, the holder's of equity shares would be entitled to receive remaining assets of the Company, after distribution of all Preferential amount. The distribution will be in proportion to the number of equity shares held.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

At the beginning of the period

Outstanding at the end of the period

No.(lakhs)	(₹ in lakhs)	No.(lakhs)	(₹ in lakhs)
168.35	1683.49	168.35	1683.49
168.35	1683.49	168.35	1683.49

No. of Shares (in lakhs)	% holding in class	No. of Shares (in lakhs)	% holding in class
8.90	5.29	8.90	5.29
11.16	6.63	11.16	6.63
22.80	13.55	22.80	13.55
20.64	12.26	20.64	12.26

Details of shareholders holding more than 5% shares of the company
Name of Share Holder- Equity

Chand Seth

Pacific Pearl Finance & Leasing Ltd

Pearl Telephonic Ltd (formerly Sinclair Exports Ltd)

Theta Investments Pvt Ltd

Note -3
RESERVE AND SURPLUS
CAPITAL RESERVE

At the beginning of the period

Add: Addition during the year

CAPITAL REDEMPTION RESERVE

At the beginning of the period

Add: Transfer from Surplus Balances in the Statement of Profit & Loss

144.72	144.72	144.72	144.72
-	144.72	-	144.72
1,733.00		700.00	
-	1733.00	1033.00	1733.00

**SECURITIES PREMIUM ACCOUNT**

At the beginning of the period

Less: Calls in Arrears**GENERAL RESERVE**

At the beginning of the period

SURPLUS /DEFECIT IN THE STATEMENT OF PROFIT & LOSS

Balance as per last financial statements

Profit/(Loss) for the year

Less: Appropriations

Transferred to Capital Redemption Reserve

Total Appropriations

Net Surplus/(Defecit) in the statement of Profit & Loss**Total Reserve and Surplus****Note -4****NON-CURRENT LIABILITIES****Long Term Borrowings**

- I (a) Term Loans from banks (secured)
- I (b) Term Loans from Other Parties (secured)
- II Vehicle Loans from Banks (secured)
- III Deposits (unsecured) from Others

Total Long Term Borrowings**I Term Loans**

(b) (i) Term Loan of ₹ 9.38 lakhs (Previous Year ₹ 95.30 lakhs) is secured by way of pari-passu first mortgage/charge created on all immovable and movable assets, both present and future (save and except book debts) in respect of property situated at Baddi. The above said loan is further secured by personal guarantees of Mr. Chand Seth, Director of the Company and Mr. Harish Seth. Repayments - in quarterly installments till 10.07.2014. Current Rate of Interest is 12% p.a.

(b) (ii) Term Loan of ₹ 388.41 lakhs (Previous Year ₹ 615.03 lakhs) is secured by way of exclusive charges on machines installed at company's all units. The above said loan is further secured by personal guarantees of Mr. Chand Seth, Director of the Company and Mr. Harish Seth. Repayments - in quarterly installments till 10.3.2016. Current Rate of Interest @ 13.75% p.a.

Repayments of above Term Loans are as follows:

- (b) (i) From 1 to 2 years - ₹ 9.38 lakhs
- (b) (ii) From 1 to 2 years - ₹ 388.41 lakhs

II Vehicles Loans

Vehicle loans are secured against hypothecation of respective vehicles. Repayment is as follow:

From 1 to 2 years - ₹ 20.86 lakhs, from 2 to 4 years ₹ 10.12 lacs and from 5 to 6 years ₹ 4.88 lacs

Last installment date: 05.01.2019

III Deposits

Deposits repayable in more than one year are considered above.

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
SECURITIES PREMIUM ACCOUNT		
At the beginning of the period	1,870.03	1870.03
Less: Calls in Arrears	(1.76)	(1.76)
	<u>1868.27</u>	<u>1868.27</u>
GENERAL RESERVE		
At the beginning of the period	147.42	147.42
SURPLUS /DEFECIT IN THE STATEMENT OF PROFIT & LOSS		
Balance as per last financial statements	570.37	182.78
Profit/(Loss) for the year	53.89	1,420.59
	<u>624.26</u>	<u>1603.3</u>
Less: Appropriations		
Transferred to Capital Redemption Reserve	-	(1033.00)
Total Appropriations	-	<u>(1,033.00)</u>
Net Surplus/(Defecit) in the statement of Profit & Loss	<u>624.26</u>	<u>570.37</u>
Total Reserve and Surplus	<u>4,517.67</u>	<u>4,463.78</u>
<u>NON-CURRENT LIABILITIES</u>		
Long Term Borrowings		
I (a) Term Loans from banks (secured)	-	90.00
I (b) Term Loans from Other Parties (secured)	161.79	397.79
II Vehicle Loans from Banks (secured)	20.23	13.10
III Deposits (unsecured) from Others	97.50	21.13
Total Long Term Borrowings	<u>279.52</u>	<u>522.02</u>

Note -5
DEFERRED TAX LIABILITY (NET)
Deferred Tax
Assets

Provision for Doubtful Debt and Advances

83.73

99.53

Provision for Leave Encashment

37.74

41.78

Gratuity

72.46

79.41

Unabsorbed Depreciation

-

12.96

Bonus

8.14
202.07

4.87

238.55

Liabilities

Depreciation

941.62

985.61

Total Deferred Tax Liability (Net)
739.55
747.06
Note-6
OTHER LONG TERM LIABILITIES

Supplier's Credit

166.15

-

Others

102.53

103.71

Total Other Long Term Liabilities
268.68
103.71
Note-7
LONG TERM PROVISIONS
Provision for Employees Benefits

Gratuity

185.82

193.92

Leave Encashment

89.97
275.79

93.93

287.84

(Refer: Note No. 43)

Total Long Term Provisions
275.79
287.84
Note-8
CURRENT LIABILITIES
Short Term Borrowings
Loan Repayable on demand from Banks (secured)
2283.17

2348.20

Loan and Advances from Related parties (unsecured)

Chand Seth

11.72

16.98

Deposits (unsecured)
868.09

834.81

Other loans and advances (unsecured)

Inter Corporate Deposits

135.00

386.22

Total Short Term Borrowings
3,297.98
3,586.21
Loan Repayable on demand from Banks (secured)

Working Capital Loans from Banks are secured by hypothecation of inventories and Book Debts and are further secured by first charge on Company's immovable property at Okhla and second charge on Company's erstwhile property at Gurgaon. The company is in the process of giving alternative securities to Working Capital Lenders against existing securities. The above said loans are further secured by personal guarantees of Mr. Chand Seth & Mr. Varun Seth, Directors of the Company.

Deposits (unsecured)

Deposits repayable within a year are considered above. Public deposits period is from six months to three years. Current Rate of Interest @ 10% p.a. for six months & more than one year period and @ 11% p.a. for one year period.



PEARL Polymers Limited

Tangible Assets										(₹ in lakhs)
	Land Freehold	Land Leasehold	Building	Plant & Machinery	Moulds	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
Cost or Valuation										
As at 1.4.2013	70.02	121.68	2,089.31	10,354.71	2,946.46	127.05	107.32	233.44	107.02	16,157.01
Additions	12.14	42.22	34.45	524.87	117.48	3.21	7.49	28.21	3.81	773.89
Disposals/ Depreciation written back	-	-	-	(323.93)	-	-	-	(3.43)	-	(327.35)
As at 31.3.2014	82.17	163.90	2,123.76	10,555.65	3,063.94	130.26	114.81	258.22	110.84	16,603.55
Depreciation										
As at 1.4.2013	-	9.88	704.36	6,102.88	2,363.47	100.08	59.69	105.34	84.89	9,530.59
Charges for the year	-	1.60	65.62	444.14	174.61	2.99	5.17	19.84	6.10	720.08
Disposals	-	-	-	(307.09)	-	-	-	(2.08)	-	(309.17)
As at 31.3.2014	-	11.48	769.98	6,239.94	2,538.08	103.06	64.86	123.10	91.00	9,941.49
Net Block										
As at 31.3.2014	82.17	152.42	1,353.78	4,315.71	525.86	27.20	49.95	135.12	19.84	6,662.05
As at 31.3.2013	70.02	111.79	1,384.95	4,251.83	582.99	26.98	47.64	128.10	22.13	6,626.43

(₹ in lakhs)		
Intangible Assets	Computer Software	Total
Gross Block		
As at 1.4.2013	11.26	11.26
Purchase		
Internal Development		
As at 31.3.2014	11.26	11.26
Amortization		
As at 1.4.2013	6.30	6.30
Charges for the year	2.25	2.25
As at 31.3.2014	8.55	8.55
Net Block		
As at 31.3.2014	2.71	2.71
As at 31.3.2013	4.96	4.96

Note-13

NON CURRENT INVESTMENTS

Other Investments -Fully paid up

Investment in Equity Shares-Quoted

Investment in Associates

- 70,00,960 Equity Shares (Previous Year - 54,92,960) Equity Shares of ₹10/- each in Pearl Engineering Polymers Ltd.
- 27,450 (Previous Year 27,450) Equity Shares of ₹10/- each in Pearl Apartments Ltd.

Others

- 21,300 (Previous Year 21,300) Equity Shares of ₹10/- each in Pretto Leather Ltd.
- 1,100 (Previous Year 1,100) Equity Shares of ₹10/- each in Kongrar Integrated Fibre Ltd.
- 2,000 (Previous Year 2,000) Equity shares of ₹10/- each in Valliant Communications Ltd.
- 1,000 (Previous Year 1,000) Equity shares of ₹10/- each of B.K.Duplex Boards Ltd.
- 11,700 (Previous Year 11,700) Equity shares of ₹10/- each of Rams Transformers Ltd.
- 3,300 (Previous Year 3,300) Equity shares of ₹10/- each of Pasupati Fincap Ltd.

As at
March 31, 2014
(₹ in lakhs)

As at
March 31, 2013
(₹ in lakhs)

79.08

67.00

0.87

0.87

0.26

0.26

0.04

0.04

0.20

0.20

0.04

0.04

0.35

0.35

0.21

0.21



	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
ix) 100 (Previous Year 100) Equity shares of ₹10/- each of Prism Cement Ltd.	0.004	0.004
x) 5,000 (Previous Year 5,000) Equity shares of ₹10/- each of Master Trust Ltd.	0.57	0.57
xi) 600 (Previous Year 600) Equity shares of ₹10/- each of Dion Global Solutions Ltd	0.02	0.02
xii) 5,900 (Previous Year 5,900) Equity shares of ₹10/- each of Market Creator Ltd.	0.27	0.27
Investment in Preference Shares-Unquoted Investment in Associates		
1,09,500 (Previous Year -1,09,500) 6% Redeemable Non-Cumulative Preference Shares of ₹100/- each of Pacific Pearl Finance & Leasing Ltd	109.50	109.50
Total Non Current Investments	<u>191.41</u>	<u>179.33</u>

-Aggregate market value of Quoted Investments	90.82	73.44
-Aggregate amount of Quoted Investments	81.91	69.83
-Aggregate amount of Unquoted Investments	109.50	109.50

Note-14
LONG TERM LOANS AND ADVANCES

Capital Advances -unsecured- considered good

Security Deposits-unsecured

-Considered good

-Considered doubtful

Less: Provision for doubtful advances

Other Loans and advances - unsecured

Prepaid Expenses-considered good

Excise Duty-under protest

Others

-Considered good

-Considered Doubtful

Less: Provision for doubtful advances

Total Long Term Loans and Advances

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
Capital Advances -unsecured- considered good	62.90	4.41
Security Deposits-unsecured	247.60	237.21
-Considered good	4.69	4.69
-Considered doubtful	(4.69)	(4.69)
Less: Provision for doubtful advances	247.60	237.21
Other Loans and advances - unsecured		
Prepaid Expenses-considered good	4.85	6.16
Excise Duty-under protest	2.50	2.50
Others		
-Considered good	1.59	5.59
-Considered Doubtful	4.96	4.96
Less: Provision for doubtful advances	(4.96)	(4.96)
Total Long Term Loans and Advances	<u>319.44</u>	<u>255.87</u>

	As at March 31, 2014 (₹ in lakhs)		As at March 31, 2013 (₹ in lakhs)	
Note-15				
OTHER NON-CURRENT ASSETS				
Long term Trade Receivables -Unsecured				
-considered Doubtful	259.25		283.09	
Less: Provisions for Doubtful debts	(259.25)	-	(283.09)	-
Others				
Vat Input Recoverable	9.88		9.88	
Excise Duty Recoverable	6.27	16.15	6.27	16.15
Total Other Non-Current Assets		<u>16.15</u>		<u>16.15</u>
Note-16				
INVENTORIES				
(As verified & certified by Management)				
Raw Materials	255.48		308.62	
Raw Materials in transit	66.89		-	
Finished Goods and Accessories	1,533.64		1132.88	
Stock in Trade	11.25		35.80	
Semi-finished Goods	97.91		70.80	
Packing Materials	140.12		183.80	
Packing Materials in transit	3.61		2.15	
Stores & Spares	158.85	2,267.75	184.55	1,918.59
Total Inventories		<u>2,267.75</u>		<u>1,918.59</u>
Note-17				
TRADE RECEIVABLES (UNSECURED)				
Debts outstanding for a period exceeding six months from the date they are due for payment				
-Considered Good	175.51		116.22	
-Considered Doubtful	2.08		2.08	
Less: Provision for Doubtful Debts	(2.08)	175.51	(2.08)	116.22
Other Debtors-Considered Good		3,781.66		4385.14
Total Trade Receivables		<u>3,957.17</u>		<u>4,501.36</u>
Note-18				
CASH AND BANK BALANCES				
Balance with Banks				
-Current Accounts		49.92		51.39
Other Bank Balances				
FDR Deposits with Original Maturity for more than 3 months but less than 12 months		100.01		100.01
Margin Money		227.42		233.72
Deposits Matured but receivable		0.93		0.93
Cheques in hand		3.67		176.78
Cash in hand		14.85		8.33
Total Cash and Cash Equivalents		<u>396.80</u>		<u>571.16</u>

Note-19
SHORT TERM LOANS AND ADVANCES
Unsecured considered good

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
Security Deposits	17.24	16.21
Advance to Suppliers	3.81	-
Prepaid Expenses	31.88	37.34
Others	74.07	32.23
Total Short Term Loans and Advances	127.00	85.78

Note-20
OTHER CURRENT ASSETS
Recoverable from Related
Parties-Unsecured-considered good

Pearl Apartments Limited *	115.10	567.10
Emperor Tours & Travels Private Limited *	467.50	511.50
Others- Unsecured - considered good		
Interest Accrued on Deposits and Advances	26.87	22.76
Balances with Excise and Customs Authorities	43.08	41.24
Advance Tax /Tax Deducted at Source (Net of provision for tax ₹ 5.68 Lakhs, previous year ₹ 407 Lakhs)	59.10	54.48
Discounts Receivable	68.53	
Others	31.91	19.62
Total Other non Current Assets	812.09	1,216.70

* Realisable within one year, on execution of sale deed.

Current Assets & Current Liabilities: In the opinion of the Board, the Current Assets, Loans and advances have a value on realization in the ordinary course of business, at least equal to the amount stated in the Balance Sheet. Balances of Sundry Debtors, Loans & advances and Sundry Creditors are subject to confirmation by the parties.

Note-21
REVENUE FROM OPERATIONS
Sale of products
Other operating revenues

Scrap Sales	43.11	78.59
Others	5.17	12.76
	48.28	91.36
	23653.91	23110.96
Less: Excise Duty	1,140.48	1261.62
Excise duty on sales amounting to ₹1140.48 (Previous year ₹ 1261.62 lakhs) have been		

reduced from sales in profit & loss account and excise duty on increase/decrease in stock amounting to ₹11.55 lakhs (previous year ₹47.05) lakhs and Branch Transfer ₹ 68.76 lakhs (previous year ₹ 57.49 lakhs) have been considered as expense(Income) in note of financial statement

Note-22**OTHER INCOME****Interest income on**

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
	<u>22,513.43</u>	<u>21,849.33</u>
Bank Deposits	26.33	33.83
Security Deposits	11.70	11.33
Others	6.56	68.31
Exchange Rate Difference	0.52	2.31
Dividend income	0.05	3.08
Insurance Claims Received	12.53	38.10
Balances written back	11.03	50.78
Provision for Bad and Doubtful Debts/Advances written back	23.84	-
Depreciation for earlier year written back	-	30.31
Profit on sale of Fixed Assets	11.70	2.21
Provision No Longer Required written back	14.07	4.58
Misc Income	3.76	28.49
	<u>122.09</u>	<u>273.32</u>
	<u>122.09</u>	<u>273.32</u>

Note-23**COST OF RAW MATERIALS CONSUMED****Raw Materials**

Inventory at the beginning of the year	308.62	422.55
Add: Purchase	13,449.18	12673.95
Less: Inventory at the end of the year	<u>322.37</u>	<u>308.62</u>
	13,435.43	12,787.87

Packing Materials

Inventory at the beginning of the year	185.94	183.26
Add: Purchase	1,217.46	1180.65
Less: Inventory at the end of the year	<u>143.73</u>	<u>185.94</u>
	1,259.67	1,177.97

Direct Purchase

Pet Preforms	229.06	49.41
Pet Bottles & Jars	14.78	5.45
Caps/Wads	<u>305.07</u>	<u>253.64</u>
	<u>548.91</u>	<u>308.50</u>
	<u>15,244.01</u>	<u>14,274.34</u>



	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
Particulars of Raw Materials consumed		
Pet Chips	10,086.42	10073.50
Polypropylene	3,056.32	2683.79
Other	292.69	30.58
	<u>13435.43</u>	<u>12787.87</u>
 Note-24		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</u>		
Inventory at the beginning of the year		
Finished goods and Accessories	1,132.87	1406.58
Stock in Trade	35.80	47.50
Semifinished goods	70.80	100.81
	<u>1239.47</u>	<u>1554.89</u>
Inventory at the end of the year		
Finished goods and Accessories	(1,533.64)	(1132.87)
Stock in Trade	(11.25)	(35.80)
Semifinished goods	(97.91)	(70.80)
	<u>(1642.80)</u>	<u>(1239.47)</u>
	<u>(403.33)</u>	<u>315.42</u>
 Note-25		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Salary, Wages, Bonus & Other Allowance	1,341.03	1548.02
Contribution to P.F, ESI & other Funds	118.74	196.64
Staff Welfare expenses	70.24	72.56
	<u>1530.01</u>	<u>1817.21</u>
	<u>1,530.01</u>	<u>1,817.21</u>
 Note-26		
<u>OTHER EXPENSES</u>		
Consumption of Stores & Spares	266.53	224.47
Freight, Octroi & Cartage	552.39	554.09
Power and Fuel	1967.61	2089.91
Electricity & Water Charges	26.15	26.62
Advertisement, Publicity & Selling expenses	110.16	90.79
Printing, Stationery, Postage, Telephone & Telex	103.08	99.01
Rent	89.08	102.00
Lease Rent	94.96	94.96
Repairs & Maintenance		
- Building	42.03	47.17
- Machinery	118.63	164.17
- Others	47.32	53.28
	<u>207.99</u>	<u>264.61</u>
Insurance	20.97	29.10
Rates & Taxes	17.75	14.13
Commission	19.07	16.19
Rebate & Discount	39.82	43.18

	As at March 31, 2014 (₹ in lakhs)		As at March 31, 2013 (₹ in lakhs)	
Conveyance & Travelling expenses	203.76		194.96	
Legal & Professional Fees	70.66		80.07	
Payment to Auditors (Refer details below)	19.47		12.01	
Exchange Rate Fluctuation (Net)				
Donations	0.14		0.38	
Loss on Sale/Write off Fixed Assets	3.71		7.61	
Director's Sitting fees	0.09		0.13	
Provision for doubtful debts /Advances	-		1.73	
Bad debts/ Advances written off	22.58		47.64	
Loss on Investments	-		8.80	
Wages Contractors	413.59		365.94	
Hire Charges	188.67		149.06	
Miscellaneous expenses	192.61		239.52	
Excise duty on Branch Transfer	68.76		57.49	
Excise duty on Increase/Decrease of Inventory	11.55		(47.05)	
	4,711.14		4,767.34	
Payment to Auditors	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
Audit Fees				
Statutory Audit Fees	6.87	-	3.11	1.45
Limited Review Fee	4.67	0.30	3.39	0.84
For Taxation matters	3.15	-	2.12	0.66
For Company law matters	3.37	-	-	-
Management & Other Services	0.56	-	0.08	0.02
Reimbursement of expenses (Net of Service Tax)	0.30	0.25	-	0.35
	18.92	0.55	8.71	3.31
Total Payment to Auditors		19.47		12.01
Note-27				
<u>PRIOR PERIOD ADJUSTMENTS</u>				
Expenditure/(Income)				
Misc Expenses		0.34		0.62
		0.34		0.62
Note-28				
<u>DEPRECIATION AND AMORTIZATION</u>				
Depreciation	720.08		881.62	
Amortization	2.25	722.33	2.25	883.86
		722.33		883.86
Note-29				
<u>FINANCE COSTS</u>				
Interest Expenses	652.30		749.69	
Other Borrowing Cost	126.66		94.01	
	778.96		843.70	

**Note-30****EARNING PER SHARE (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations :

Total operations for the year

Profit/(Loss) after tax

53.89

1,420.59

Less : Dividends on Preference Shares and tax thereon

-

-

Net Profit/(Loss) for allocation of basic EPS

53.89

1,420.59

Weighted average number of equity shares in calculating basic EPS(No. in lakhs)

168.35

168.35

Basic Earning per share (₹)

0.32

8.44

Total No of weighted average Equity Shares including diluted potential Equity Shares outstanding during the year.(No. in lakhs)

168.35

168.35

Diluted Earning per share (₹)

0.32

8.44

Note-31**ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR (NET OF ADVANCES)**

301.85

66.50

Note-32**CONTINGENT LIABILITIES**

In respect of guarantees executed by Banks against lodgment of counter guarantees of the Company Provided by way of Margin Money ₹ 17 lakhs (Previous Year ₹ 37.16 lakhs)

67.98

150.62

In respect of Service Tax

0.04

0.04

In respect of demands for Excise Duty *

807.46

747.86

* includes:

The Company had received for its unit at Mahad show cause notice from Excise Department for ₹ 3.24 lakhs.

The Company had received for its unit at Mahad show cause notice from Excise Department for ₹ 360.00 lakhs for producing and clearing dutiable and non-dutiable products under notification 4/97 dated 1.03.97. The Company has preferred an appeal against the same. Similar case for a different period had been adjudicated in Company's favour by CESTAT, DELHI At its unit at Mahad the Excise Department has filed an appeal against a demand of ₹72.72 lakhs which had been dropped by the Commissioner, Central Excise. (The original show cause notice was received on 17.2.2002 and related to imposition of Excise Duty on recovery of freight

	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
charges, detention charges etc., separately by the company and non-inclusion of the same).		
The Company had received for its unit at Gurgaon Demand Notice from Excise Department for ₹10.00 lakhs for penalty and deposited ₹2.50 lakhs under protest.		
The Company had received for its unit at Mahad show cause notice from Excise Department for ₹ 3.24 lakhs. The company had deposited Excise duty under protest of ₹ 6.26 Lakhs for its unit at Jigani.		
In respect of sales Tax *	19.49	
* includes		
In respect of assessment order for the year 2009-10 of its unit at mahad of ₹ 9.61 lakhs.		
In respect of sales tax demand for the year 2002-03 of its unit at Jigni of ₹ 9.88 lakhs (Net of bank guarantee)		
In respect of Demand for Income Tax pertaining to Assessment Year 2011-12 for Assessment under section 143(3)	7.49	
Note-33		
<u>VALUE OF IMPORTS CALCULATED ON CIF BASIS</u>		
Raw Materials	21.55	-
Capital goods	3.61	4.66
Note-34		
<u>EXPENDITURE IN FOREIGN CURRENCY</u>		
<u>(ACCRUAL BASIS)</u>		
Travelling and conveyance	6.99	7.00
Others	1.87	0.71
Note-35		
<u>EARNINGS IN FOREIGN CURRENCY</u>		
<u>(ACCRUAL BASIS)</u>		
Exports at F.O.B Value - Finished Goods	50.82	8.49
Exports at F.O.B Value - Capital Goods	20.53	21.36

**Note-36**

The Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as under :

Particulars	2013-2014		2012-2013	
	In Foreign Currency	₹ in lakhs	In Foreign Currency	₹ in lakhs
Trade Receivable				
USD	0.61	36.69	0.01	0.76

Note-37

**IMPORTED AND INDIGENOUS RAW MATERIALS,
COMPONENTS AND SPARE PARTS CONSUMED**

Raw Materials

Imported

Indigenously obtained

Spare parts & Components

Indigenously obtained

	% of Total Consumption	Value ₹ in lakhs	% of Total Consumption	Value ₹ in lakhs
Imported	0.16	21.55	-	-
Indigenously obtained	99.84	13,413.89	100.00	12787.87
	100.00	13435.44	100.00	12787.87
Spare parts & Components				
Indigenously obtained	100.00	266.53	100.00	224.47
	100.00	266.53	100.00	224.47

Note-38

Purchases are net of incentives received.

Note-39**RELATED PARTY DISCLOSURES**

Name of relative parties and related party relationship

Key Management Personnel

Mr.Chand Seth - Chairman & Managing Director

Mr.Varun Seth - Whole Time Director

Relatives of Key Management personnel and their enterprises where transactions have taken place

Mrs. Suneeta Seth

Mr. Amit Seth

Mr. Udit Seth

Related parties where control exists

Amit Apartments Ltd

Emperor Travels & Tours Pvt Ltd

Gama Investments Pvt Ltd

Pearl Apartments Ltd

Pearl Flats India Ltd

MRK Shares & Stocks Pvt Ltd

Pacific Pearl Finance & Leasing Ltd

Pearl Telefonics Ltd (Formerly Sinclair Exports Ltd)

Theta Investments Pvt Ltd

Note-40
RELATED PARTY TRANSACTIONS
Key Management Personnel
Remuneration paid

Mr Chand Seth	44.88	44.88
Mr Varun Seth	47.90	33.68

Loan taken

Mr Chand Seth	-	20.00
---------------	---	-------

Outstanding Payable

Mr Chand Seth	11.72	17.90
Mr Varun Seth	-	1.28

Note-41
RELATIVES OF KEY MANAGEMENT PERSONNEL
Remuneration paid

Mr Amit Seth	30.28	30.28
Mr Udit Seth	30.28	30.28

Rent paid

Theta Investments Pvt Ltd	4.00	-
Mrs Suneeta Seth	12.00	12.00

Outstanding Payable

Mr. Amit Seth	-	1.38
Mr Udit Seth	-	1.38

Note-42
RELATED PARTIES WHERE CONTROL EXISTS
ICD taken

MRK Shares & Stocks Pvt Ltd	67.00	95.00
Pacific Pearl Finance & Leasing Ltd	18.00	46.50
Pearl Telefonics Ltd	-	28.00
Theta Investments Pvt Ltd	-	5.00

Interest Paid on ICD

MRK Shares & Stocks Pvt Ltd	1.27	6.95
Pacific Pearl Fin. & Leasing Ltd	6.75	0.37
Pearl Telefonics Ltd	3.41	0.35
Theta Investments Pvt Ltd	0.61	0.06

Preference Shares Issued/(Redeemed)

Amit Apartments Ltd (Redeemed)	-	(185.00)
Emperor Travels & Tours Pvt Ltd (Redeemed)	-	(305.00)
Gama Investments P Ltd (Redeemed)	-	(34.50)
Pacific Pearl Finance & Leasing (Redeemed)	-	(14.50)
Pearl Apartments Ltd (Redeemed)	-	(358.00)
Pearl Flats India Ltd (Redeemed)	-	(115.00)
Pearl Telephonic Ltd (Redeemed)	-	(21.00)



	As at March 31, 2014 (₹ in lakhs)	As at March 31, 2013 (₹ in lakhs)
Sale of Land & Factory building		
Pearl Apartments Ltd	-	1,716.50
Emperor Travels & Tours Pvt Ltd	-	1,716.50
Outstanding Payable		
Pacific Pearl Finance & Leasing Ltd	64.50	46.83
Pearl Telefonics Ltd	28.00	28.31
Theta Investments Pvt Ltd	5.00	5.06
Outstanding Receivable		
Pearl Apartments Ltd	115.10	567.10
Emperor Travels & Tours Pvt Ltd	467.50	511.50
Note-43		
GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS EMPLOYEES BENEFITS		
The Company has adopted Accounting Standard (AS)-15, "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006. The Company has classified various employees benefits as under:		
Defined Contribution Plans		
The Company has recognized the following amounts in the Profit & Loss Accounts for the year		
I. Employer's Contribution to Provident Fund	48.05	48.31
II. Employer's Contribution to Superannuation Fund	16.05	19.06
III. Employer's Contribution to Employees' Pension Scheme	27.89	40.07
IV. Employer's Contribution to Employees' State Insurance Scheme	14.14	19.01
Defined Benefit Plans		
Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by Independent Actuary, as at the Balance Sheet date based on the following assumptions.		
a) Discount Rate (per annum)	9.10%	7.90%
b) Rate of increase on compensation levels/escalation in salary	5.00%	5.00%
c) Expected rate of Return on Plan Assets	8.82%	9.25%
d) Expected Average remaining working lives of employees in number of years	20 yrs	22 yrs

Changes in the Present Value of Obligation

Present value of Obligation as at 1st April, 2013	262.14	117.85	258.53	122.49
Interest Cost	20.71	9.31	22.23	10.54
Past Service Cost	-	-	-	-
Current Service Cost	20.38	12.78	22.25	14.16
Curtailment Cost (Credit)	-	-	-	-
Impact due to settlement	-	-	-	-
Settlement Cost (Credit)	-	-	-	-
Directly paid by Enterprises	-	-	(0.12)	-
Benefits Paid	(27.52)	(15.28)	(71.75)	(27.10)
Actuarial Loss/(Gain)	(16.51)	(11.37)	31.00	(2.24)
Foreign Currency exchange rate different from the enterprises reporting currency	-	-	-	-
Present value of Obligation as at 31st March, 2014	259.20	113.29	262.14	117.85

Changes in the Fair Value of Plan Assets

Fair Value of Plan Assets as at 1st April, 2013	17.40	-	40.33	-
Expected Return on Plan Assets	1.61	-	2.93	-
Actuarial Loss/(Gain)	0.30	-	-	-
Employers' Contribution	32.90	-	45.89	-
Contribution transferred from Group Companies	-	-	-	-
Benefits Paid	(27.52)	-	(71.75)	-
Contributions by Plan	-	-	-	-
Fair Value of Plan Assets as at 31st March, 2014	24.69	-	17.40	-

Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2014

GOI Securities	-	-	-	-
Public Securities	-	-	-	-
Bank Deposits (Special Deposit Scheme 1975)	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	24.69	-	17.40	-
Other (including Bank Balances)	-	-	-	-

Reconciliation of Present Value of Define Benefit Obligation and the fair value of Assets

Present value of funded Obligation as at 31st March, 2014	259.20	113.29	262.14	117.85
Fair Value of Plan Assets as at 31st March, 2014	24.69	-	17.40	-
Funded (Assets)/Liability recognized in the Balance Sheet				
Present value of Unfunded Obligation as at 31st March, 2014	234.51	113.29	244.74	117.85
Unrecognized past service cost	-	-	-	-
Unrecognized actuarial (Gain)/Losses	-	-	-	-

Unfunded Net Liability recognized in the Balance Sheet

Amount recognized in the Balance Sheet

Present value of Obligation as at 31st March ,2014

Fair Value of Plan Assets as at 31st March ,2014

Assets/Liability recognized in the Balance Sheet(Net)

Expenses recognized in the Profit & Loss Account

Current Service Cost

Past service Cost

Interest Cost

Expected Return on Plan Assets

Curtailement Cost (Credit)

Settlement Cost (Credit)

Net actuarial (Gain)/Loss

Contribution transferred from Group Companies

Total Expenses recognized in the Profit &

Loss Account

As at March 31, 2014 (₹ in in lakhs)		As at March 31, 2013 (₹ in in lakhs)	
Gratuity (Funded)	Leave Encashment	Gratuity (Funded)	Leave Encashment
234.51	113.29	244.74	117.85
259.20	113.29	262.14	117.85
24.69		17.40	-
234.51	113.29	244.74	117.85
20.38	12.78	22.25	14.16
-	-	-	-
20.71	9.31	22.23	10.54
(1.91)	-	(2.93)	-
-	-	-	-
-	-	-	-
(16.51)	(11.37)	31.00	(2.24)
		-	-
22.67	10.72	72.55	22.46

Note-44

Disclosure in accordance with Part I of Schedule VI of Companies Act, 1956 in respect of Micro, Small and Medium Enterprises"

Particulars

- Principal amount remaining unpaid
- Interest due thereon
- Interest paid by the company in term of Section 16 of Micro, Small and Medium Enterprises Development Act.
- Interest due and payable for the period of delay in payment
- Interest accrued and remaining unpaid
- Interest remaining due and payable even in succeeding years

This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the company during the year

As at March 31, 2014 ₹ in lakhs	As at March 31, 2013 ₹ in lakhs
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil

PEARL Polymers Limited

Note-45

The Company is engaged in the manufacture of PET bottles & jars and there is no separate reportable segment as per the Accounting Standard 17 on 'Segment Reporting' notified in the Companies (Accounting Standard) Rules, 2006

Note-46

During the year, Provision for Income Tax has been made on the basis of Books profits u/s 115 JB of Income Tax Act, 1961.

Note-47

- a) Disclosure for operating leases under Accounting Standard 19 "Lease". The Company has taken various residential flats/godowns/office premises (including furniture and fittings, there in as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 3 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. No contingent rents are recognized in the P&L Account.
- b) The Company has leased facilities under the non-cancellable operation lease. Lease rent amounting to ₹ 94.96 lakhs

The future lease payments and payment profile of non cancellable operating leases are as under:

Particulars	March 31, 2014 (₹ in lakhs)	March 31, 2013 (₹ in lakhs)
Not later than one year	45.49	94.96
Later than one year but not later than five years	-	43.12
Later than five years	-	-

Note-48

Previous Year figures have been regrouped/reclassified, wherever considered necessary to conform to current year's classification.

On Behalf of the Board

For SEHGAL MEHTA & CO

Chartered Accountants
(FRN No.003330N)
Naresh Khanna
Partner
Membership No. 081482
Place: New Delhi
Date : May 26, 2014

CHAND SETH
Chairman & Managing Director

VARUN SETH
Whole-Time Director

RAJESH MEHRA
Chief Financial Officer

DEEPIKA SATI
Company Secretary

PEARL Polymers Limited
Registered Office : A-97/2, Okhla Industrial Area, Phase-II,
New Delhi - 110 020
CIN NO. L25209DL1971PLC005535
Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):		E-mail Id:	
Registered address		Folio No./Client Id: DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name _____ Address _____
E-mail Id _____ Signature _____ or failing him
2. Name _____ Address _____
E-mail Id _____ Signature _____ or failing him
3. Name _____ Address _____
E-mail Id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Monday, the 29th day of September, 2014 at 11.30 a.m. at A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS

ORDINARY BUSINESS :-

1. Adoption of Audited Financial Statement, Report of Board of Directors and Auditors.
2. Re-appointment of Shri Varun Seth, who retires by rotation.
3. Re-Appointment of Auditors and fixing their remuneration.

SPECIAL BUSINESS :-

4. Re-Appointment of Shri Chand Seth as Managing Director.
5. Appointment of Shri Ramesh Mehra as Executive Director.
6. Appointment of Shri Ravi Mehra as an Independent Director.
7. Appointment of Smt. Meera Johri as an Independent Director.
8. Appointment of Shri Ashish Harish Bhuvra as an Independent Director.
9. Amendment of Articles of Association of the Company.
10. Empowering Board of Directors to borrow u/s 180(1)(c) of the Companies Act, 2013.

Signed this _____ day of _____ 2014

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Signature of Second Proxy holder(s)

Signature of third Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

