POLYPLEX

Enhancing
the consumer experience.

Focusing
on leading the industry.

Shaping
the future.

Polyplex Corporation Limited
31st Annual Report 2015-16

Board of Directors and Corporate Information

Board of Directors

Mr. Sanjiv Saraf – Chairman

Mr. Brij Kishore Soni

Mr. Jitender Balakrishnan

Ms. Pooja Haldea

Mr. Rakesh Awasthi – Nominee Director – IDBI Bank Limited (up to May 3, 2016)

Mr. Ranjit Singh (w.e.f. May 12, 2016)

Mr. Sanjiv Chadha

Dr. Suresh Inderchand Surana

Mr. Pranay Kothari – Executive Director

Chief Financial Officer

Mr. Manish Gupta

Company Secretary

Mr. Ashok Kumar Gurnani

Registered office

Lohia Head Road
Khatima-262308
Distt: Udham Singh Nagar
Uttarakhand
Phone: 05943-250136
Fax: 05943-250281

Corporate office

B-37, Sector 1, NOIDA
Distt: Gautam Budh Nagar
Uttar Pradesh-201 301
Board: +91 .120.2443716-19
Fax: +91.120.2443723 & 24

Auditors

Lodha & Co.,
Chartered Accountants

Works

1. Lohia Head Road
   Village Amau
   Khatima-262 308
   Distt: Udham Singh Nagar, Uttarakhand

2. Plot No 227 MI - 228 MI
   Banna Khera Road
   Village Vikrampur
   Tehsil Bajpur-262 401
   Distt: Udham Singh Nagar, Uttarakhand

Bankers

Axis Bank Limited

DBS Bank Limited

HDFC Bank Limited

IDBI Bank Limited

State Bank of Patiala

UniCredit Bank, AG

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-31, Gachibowli
Financial District, Nanakramguda, Hyderabad-500032
Tel: +91-40-6716 2222
Toll free no.: 1800-345-4001
Fax: +91-40-2300 1153
Website: www.karvy.com
(w.e.f. May 11, 2015)

Contents

For more than three decades,
Polyplex Corporation Limited
focused on the interplay of three drivers.

Passion.
Discipline.
Long-term.

The result has been the ability to overcome commodity cycles and enhance value for stakeholders.

Going ahead, we believe that our commitment to these three drivers will enhance business sustainability.

Plastic films are integral in most things
that we use in our everyday life.

The shampoo sachet
that you snip
The cheese cubes top
lid that you peel off
The milk carton that you sip
The tea pack that retains
the freshness of your
morning cuppa
The chips pack from which
you snack out of

The credit card that you swipe to buy that prized Pokémon Go character

The laptop screen that you see every day

The instant photo that you click for a sudden visa requirement

The film surface that your cherished wedding photograph is printed on

All these comprise PET films as integral and non-substitutable substrate for the respective end use.

Polyplex Corporation Limited

One of the world's largest thin PET film manufacturers.

A global, innovation-driven film packaging solutions provider.

Riding industry volatility and challenges resulting in business sustainability.

Our products

The Company's diversified business portfolio includes polyethylene terephthalate (PET) films, cast polypropylene (CPP) films and biaxially-oriented polypropylene (BOPP) films produced at state-of-the-art manufacturing plants in India, Thailand, Turkey and the US, complemented with distribution facilities in China, Turkey and the Netherlands.

The manufacturing plants are equipped with integrated downstream capabilities like metallizing, silicone coating, offline chemical coating and extrusion coating to deliver value-added products.

Our product applications

- Packaging: Food packaging, film for flexible pouches, peel-able seals, lids, snacks, barrier films, can laminations and vacuum insulation panels.
- Industrial and specialties: Hot stamping foil, release films, photo resist films, metallic yarns, adhesive tapes, plastic cards (including 'smart' cards), labels, lamination films, brightness enhancement films (computer screens), solar/ safety window films, medical test strips, among others.
- Electrical: Motor wire and cable, transformer insulation films, capacitors, thermal printing tapes, membrane touch switches (computer and calculator keyboards) and flexible printed circuit films.
- Imaging: Microfilm, printing and pre-press films, color proofing, printing plates, drawing office drafting film, overhead transparencies, X-ray films, instant photos, business graphics and wide format displays.
- Magnetics: Videotape, audio cassette tape and advanced high-density computer storage media.

End markets

We supply a wide range of products to the food, beverage, healthcare and other packaging end markets. This includes fresh foods such as meat, fish, bread, produce and dairy, processed foods such as confectionery, snack foods, coffee and ready meals as well as folding cartons, high value-added resin-based packaging for industrial, hospital, pharmaceutical, home and personal care markets.

Our growth drivers

- Demand catalyzed by growth in emerging markets
- Manufacturing and quality excellence
- Wide global footprint
- High customer responsiveness
- Focus on product innovation
- Strategic locations and marketing platforms
- Relatively advantaged cost positions
- Extension into specialized packaging and industrial use

OUR GLOBAL FOOTPRINT

1,600
Customers around the world

1,850
Global employee base

Equity stock listing

Polyplex is listed both on the National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE). Besides, Polyplex (Thailand) Plc, a subsidiary of Polyplex Corporation Limited, is listed on The Stock Exchange of Thailand.

Polyplex is promoted by Mr. Sanjiv Saraf, who has over 30 years of rich experience in the global plastic film industry. The promoter group holds 50.03% of the Company's equity (as on 31 March 2016).

VALUES

The Company's core values are enunciated via the acronym 'S.C.O.R.E.'

Seamlessness: Leveraging synergies across hierarchies, functions and locations.

Care: Valuing people and remaining committed to their development. Taking a long-term approach when it comes to relationships.

Ownership and responsibility: Honoring commitments made to internal and external stakeholders.

Excellence: Constantly pursuing newer and better ideas, processes, products and practices.

Chairman and CEO's Address


Sanjiv Saraf, *Chairman*


Pranay Kothari, *Chief Executive Officer*

Dear shareholders,

Over the last couple of years, the Company has concentrated its efforts and resources on consolidation and operational improvement. Significant progress has been made on all fronts during the year under review. The financial performance does not fully reflect the impact of these actions as profits were weighed down by non-operational and non-cash charges towards foreign exchange fluctuation losses on loans in the overseas subsidiaries as well as a one-time impairment provision and deferred tax reversals in the US operations. Benefits of sustained initiatives towards cost optimization, broadening of product range and customer engagement together with stabilization of new capacities built in the last 3 years will have a positive impact on profitability despite persistently tough market conditions.

Improvement in operational cash flows has resulted in a rapid decline in debt levels and net leverage levels at the year-end are negligible after accounting for the cash reserves. A strong balance sheet provides financial flexibility to access any growth opportunities.

Sales and Other Income were flat at INR 32.1 billion with the increase in the sales volume from better utilization of capacities being more than offset by decline in selling prices resulting from steep fall in raw material prices. The profit (before tax and exceptional items) at the consolidated level is also similar at INR 1.30 billion as compared to the previous year. There is an exceptional loss of INR 0.66 billion on account of impairment provision on the US operations based on prudent accounting standards.

Geographically diversified and integrated manufacturing operations, a range of products for the packaging and industrial markets which continue to grow globally, an emphasis on new products development and application and a strong and stable management team are strengths portending a positive outlook for the business. There continues to be excess capacity in most product lines and we have a clear strategy to address this concern.

We recognize apprehensions around environmental impact of plastics. We have set up a recycling plant in Thailand for processing different kinds of plastic waste – with few precedents in the industry. Public concerns are also being addressed by ensuring a balanced approach in evaluating impact of different kinds of packaging materials.

On behalf of the Board, we would like to thank all the shareholders and other stakeholders including business partners and the employees of the Company for their continued support and hard work.

Pranay Kothari,
Chief Executive Officer

Sanjiv Saraf,
Chairman

Board of Directors


Mr. Sanjiv Saraf
Chairman


Mr. Pranay Kothari
Executive Director


Mr. Sanjiv Chadha


Dr. Suresh Inderchand Surana


Mr. Jitender Balakrishnan


Mr. Brij Kishore Soni

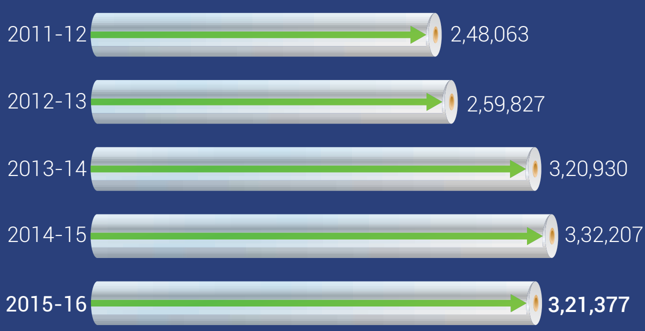

Mr. Ranjit Singh


Ms. Pooja Haldea

Steady financial performance (consolidated)

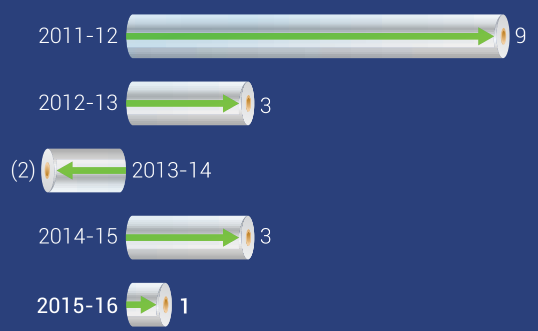
At Polyplex, our financial performance needs to be appraised in the context of the fact that we operate in a business that is impacted by volatile commodity raw material (crude) prices on the one hand and a highly competitive industry landscape on the other. Despite crude oil prices varying from USD 27 per barrel to USD 113 per barrel over the past five years, we have reported a 5% CAGR in topline over the period, reflecting our consistent ability to hold on to our customer relationships and even grow our customer base while expanding business from existing clients.

Revenues (₹ in lacs)

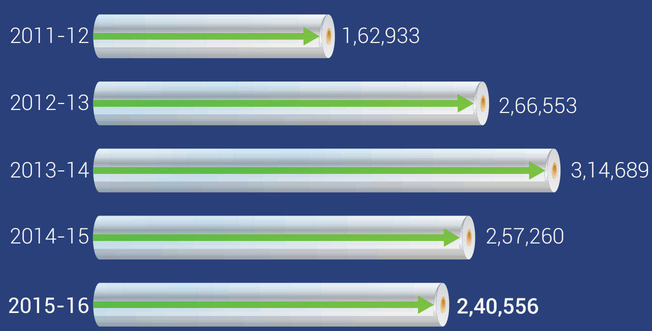


EBIDTA margin (%)

ROE (%)



Net fixed assets (₹ in lacs)



Debt-equity ratio (times)

Earnings per share (₹)

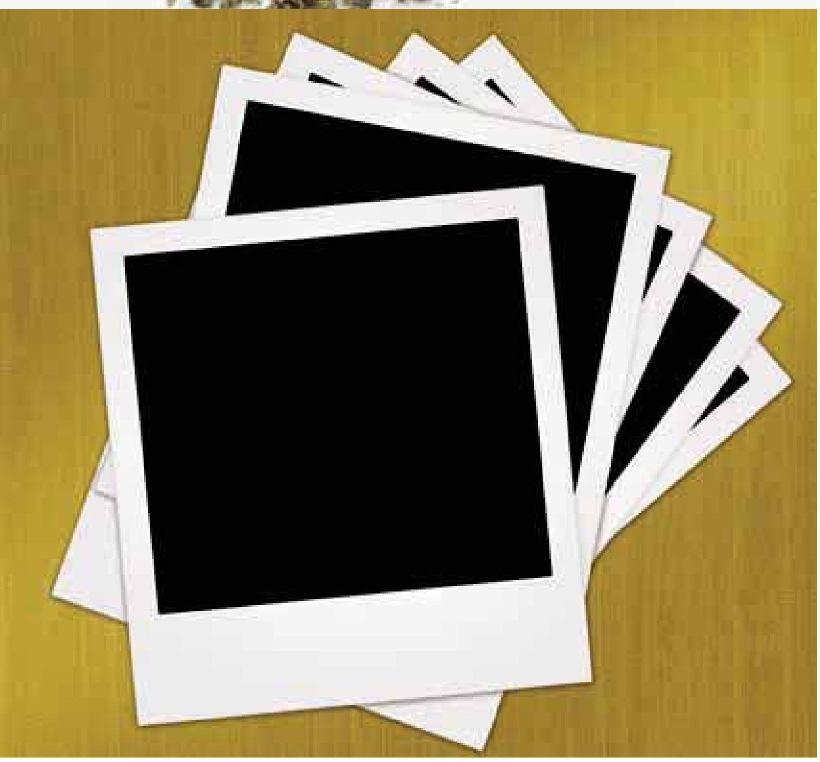
Notes:

1. Revenues = Total Revenue including other income
2. EBITDA Margin as % of Sales & Other Income
3. ROE (%) = PAT (Pre -Minority interest) as % to average equity incl. Minorities
4. Net Fixed Assets includes Capital Work in Progress
5. Net Debt includes Long Term Debt + Short Term Debt + Current Portion of Long Term Debt – Cash & Bank Balances
6. Equity includes Shareholders' Funds + Minority Interest


GRID CABLES

23%

2015-16 revenues derived from top 10 customers



Enhancing
the consumer experience.

AT POLYPLEX, WE PROVIDE OUR INTERMEDIARIES, CUSTOMERS AND THEIR CONSUMERS INNOVATIVE SOLUTIONS ADDRESSING THEIR EVERYDAY NEEDS.

What makes us different is the passion that we bring to finding ways to continuously improve and service customers better through enhanced solutions.

Polyplex is focused on product innovation to address growing customer demands and cost-effectiveness from brand owners seeking to enhance product performance, enhance sales and reduce costs.

With a view to remain proactive, we work collaboratively and proactively with our customers. Today, our customers comprise some of the world's largest and most respected packaging conglomerates and leaders in several industrial end-use markets.

Some of the popular, everyday consumer goods that our global-class packaging keeps safe, fresh, hygienic and cost-effective include milk, tea, coffee, potato chips, butter cubes, shampoo, toothpaste, cookies etc. Most of our products are 'food safe', enjoying FDA compliance certifications.

Focusing
on leading the industry.

POLYPLEX IS AMONG THE LEADING PLAYERS IN THE THIN PET FILM PACKAGING BUSINESS WITH A GLOBALIZED ASSET AND RESOURCE BASE. OUR CURRENT INDUSTRY MARKET SHARE IS 6% WHICH IS RETAINED OVER THE LAST FIVE YEARS THROUGH CONSISTENT CAPACITY ADDITION.

With a consolidated gross block size of ₹3,850 crores, we have added almost 43% over the past five years, when markets have been suffering from a sustained down-cycle. We funded this incremental capex through a judicious mix of internal accruals and debt, making it possible to create a low-cost, high-quality asset base that sustains our relevance across all market cycles in a competitive and commoditized business.

As these plants have been started over the past many years, the replacement cost of these assets on the books is much higher. Our Balance Sheet strength is reflected in our virtual debt-free status (on a net debt level), cash and liquid funds of ₹1,136 crores and unutilized working capital limits ₹326 crores.

At Polyplex, our integrated and global asset base, technology orientation, diverse product base, expansive client profile and strong financial strength make it possible to lead the global PET film packaging industry and create a future-ready platform of profitability and sustainability.


CROWN
RR028
CROWN

Shaping
the future.

AT POLYPLEX, OUR BUSINESS IS WIRED AROUND CUSTOMER RESPONSIVENESS AND EXPANDING OUR PRODUCT RANGE. WE COLLABORATE CLOSELY WITH OUR CUSTOMERS TO DESIGN AND DEVELOP PACKAGING PRODUCTS THAT PROVIDE PROFITABILITY-ENHANCING SOLUTIONS.

Our vision starts and ends with the customer. In a typical lifecycle engagement process with a customer, we believe in the 'first in, last out' philosophy which enhances contract and business sustainability.

Even as we are domiciled in India, we have commissioned facilities and distribution points the world over to service leading global PET film business. We pioneered globalization of the PET film business out of India; we were the first in the country to establish a state-of-the-art PET film line in Thailand, a strategic growth market. Thereafter, we deployed our steady cash flows generated out of the business to set up modern plants across other key regional markets that enabled us to move closer to customers, effectively service their demand and stay close to their innovation cycles.

This 'on-shoring' model has emerged as a global quality asset base comprising 9 lines of PET films and one PP (polypropylene) line comprising a range of products manufactured across thickness and sizes. Besides, a truly globalized presence enables us to draw best practices, leverage a common pool of intellectual capital and serve a wider number of global customer locations through our large asset base spread across continents. This large geographic presence helps mitigate geographic/ location risks in terms of demand and customer retention.

While a large number of industry players continued to focus on the commodity end of the business, we extended to value-added products to remain ahead of the competitive curve and generate value-added margins.

In line with this objective, we incorporated metallizing, offline coating and silicone coating capacities to create technology-driven differentiation while addressing specific downstream applications. Our Saraprint, an innovative non-tearable and highly accurate polyester film designed especially for the digital print media segment, proved to be industry-leading and poised to transform the photographic surface industry on account of its detailed attention to detail, durability, longevity and high-gloss.

Management Discussion and Analysis

Corporate overview

In this document, the terms 'Company', 'Polyplex' and 'Group' refer to the consolidated operations of Polyplex Corporation Ltd.

Polyplex is one of the leading global integrated producers of thin polyester (PET) films. Polyester is an integral part of our everyday lives – when we eat or drink, at home, at office, when we shop, among others. The largest application of thin PET films is in flexible packaging. Better packaging not only improves the shelf lives of products but also enhances product appeal in a competitive consumer goods industry.

Polyplex also offers other substrates (BOPP, CPP and Blown PP/PE) used in the flexible packaging industry. BOPP, CPP and Blown PP films are polypropylene-based films. They are used in packaging besides certain industrial applications like tapes, labels and thermal laminations. Flexible packaging companies supply laminates to consumer product companies for packaging food products, household goods, personal care products, among others.

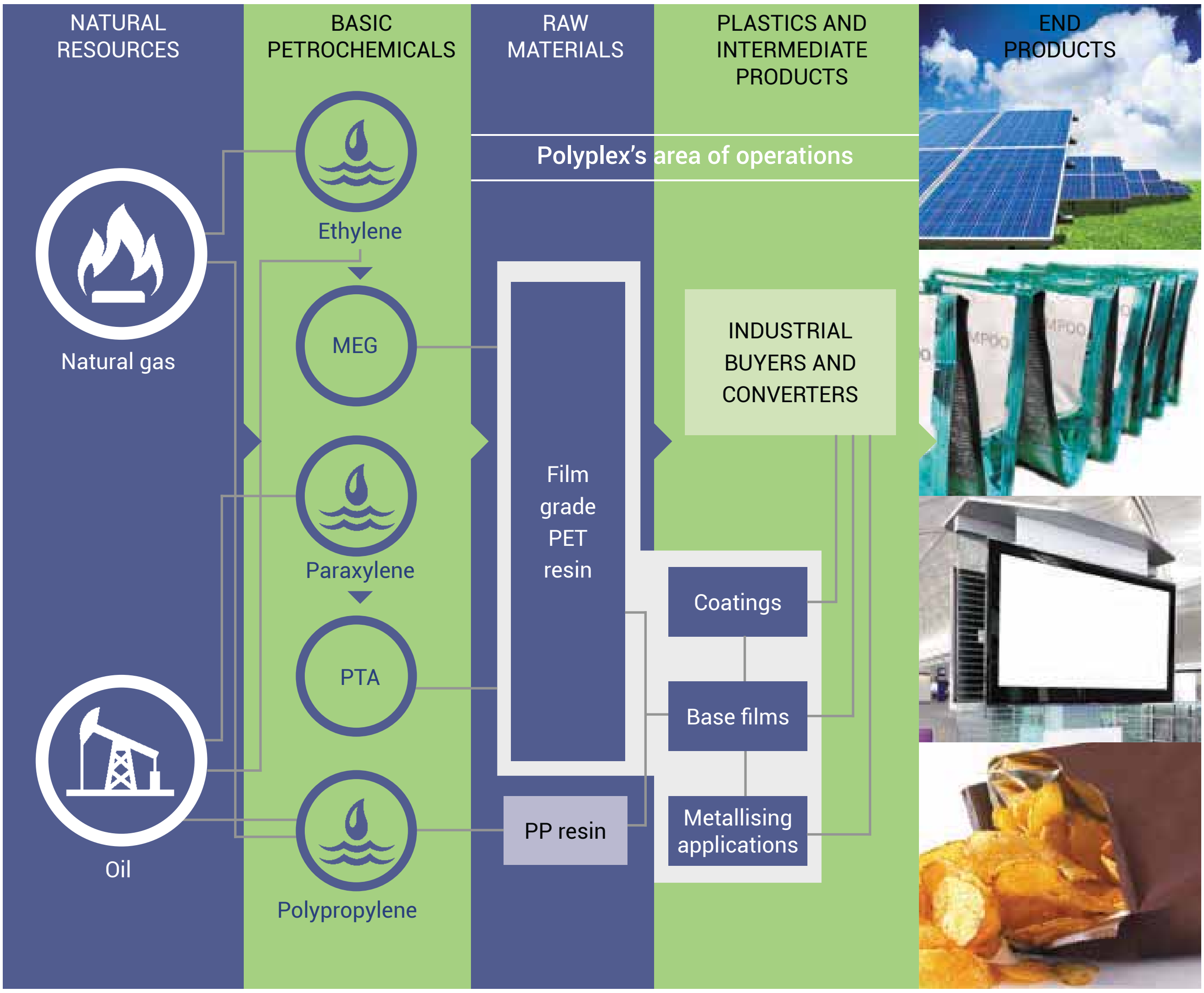
As part of a diversification strategy, the Company entered into the manufacture of thick PET films suitable for a range of industrial applications including imaging and graphics, photovoltaics and flat panel displays.

In the past few years, the Company ventured into downstream businesses like metallising, silicone coating, extrusion coating and offline chemical coating. This has enabled Polyplex to offer products for a variety of applications – general packaging, specialty packaging, electrical, liners, roofing and a gamut of industrial applications like hot stamping foils, flexible air conditioning ducts, book laminations, yarns, among others. The blown PP line in Thailand has expanded the product line of silicone coated films. The Company also introduced an innovative non-tearable polyester film in India designed especially for digital print media segment for photo albums, commercial printing, promotional and customised digital printing, label and flexible packaging applications.

The Company's other ventures comprised a recycling unit in Thailand to provide sustainable solutions for film-based process waste.

PET film is made from polyester resin (chips), which in turn is produced from PTA (purified terephthalic acid) and MEG (mono ethylene glycol). The Company produces its own PET resin.

The value chain for the Company's main businesses is depicted below:



Polyplex has attained leadership in the thin PET film business with manufacturing and distribution operations in six countries

PET films business

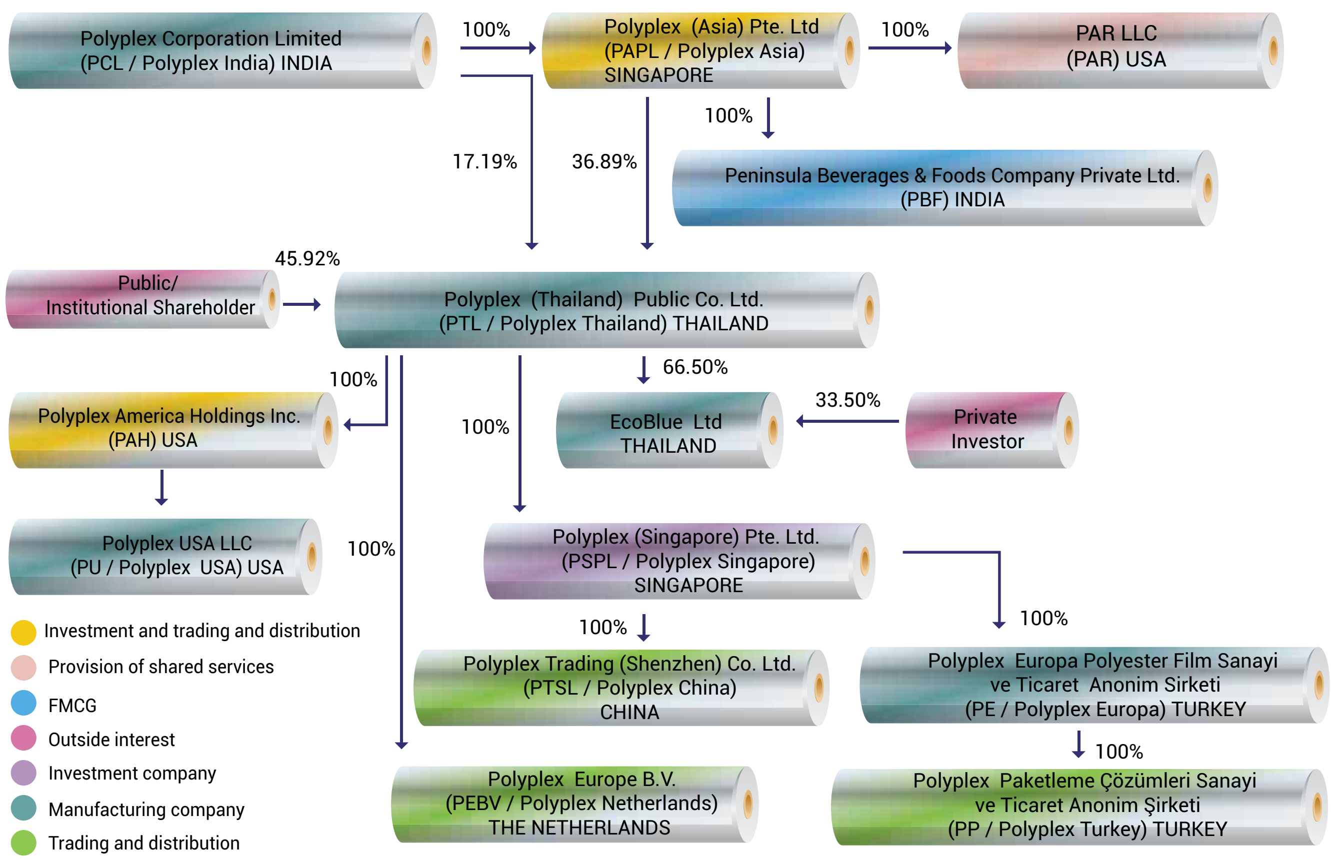
Polyplex had predominantly operated in the area of thin PET films, which accounts for three-fourths of the overall global PET film demand. The growth in flexible packaging has gradually shifted the production and usage patterns of thin PET films. The Company's relevant segments of packaging, industrial and electrical constitute 99% of the total thin film demand. The high-end segments like magnetic and media printing and imaging segments constitute less than 1% of the total consumption of thin PET films.

The Company started the first thick film line at Thailand in FY 2013-14. This has enabled Polyplex to straddle the entire spectrum of end-users by accessing the traditional industrial and electrical applications for thick films. The Company is also targeting several new and promising applications in optical and photovoltaic segments. The first film line in India which was revamped in December 2011 to produce intermediate thicknesses as well as specialty films also contributed to the Company growth.

Global operations

Polyplex has attained leadership in the thin PET film business with manufacturing and distribution operations in six countries (India, Thailand, Turkey, the US, China and the Netherlands), along with warehouses in Poland, Spain, Germany, Italy and Mexico.

POLYPLEX GROUP- STRUCTURE (As on 01st August 2016)



Polyplex (Asia) Pte. Ltd. (PAPL)

PAPL was established as a 100%-subsidiary of PCL in July 2004. The shareholding of PAPL in PTL stands at 36.89% as of 30th June 2016 post the rights issue. PAPL is *inter alia* engaged in trading various plastic products. The issued and paid-up capital of PAPL as of March 31, 2016 is USD 1.13 million.

Peninsula Beverages & Foods Company Private Ltd. (PBF)

PAPL acquired 99.90% shares in PBF in February 2013. In May 2013, PBF, which is in the business of trading packaged beverages and food products, became a wholly-owned subsidiary of PAPL. The issued and paid-up capital of PBF as of March 31, 2016 was ₹987.44 lacs.

PAR LLC (PAR)

PAR LLC is an US-based limited liability company incorporated in Texas in May 2011. The Company is 100%-owned by PAPL. The Company was set up for providing shared services. The issued and paid-up capital of PAR LLC as of March 31, 2016 was USD 2.2 million.

Polyplex (Thailand) Public Co. Ltd. (PTL)

PTL was incorporated as a private company in March 2002 to manufacture and distribute PET films. In August 2004, the Company became a public company and subsequently listed on the Stock Exchange of Thailand (SET) in December 2004.

In June 2016, PTL increased its share capital through a rights offering of 100 million ordinary shares in the ratio of one new share for every eight existing shares, at an issue price of THB 6.40 per share. As a result, PCL's stake in the Company increased from 51% to 54.08% through direct and indirect shareholding and the balance 45.92% is held by the general public. The issued and paid up capital of PTL as of March 31, 2016 was THB 800 million which subsequently increased to THB 900 million in June 2016.

Polyplex (Singapore) Pte. Ltd. (PSPL)

PSPL was established in July 2004 as a wholly-owned subsidiary of PTL, which invested in Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Şirketi (PE). The issued and paid-up capital of PSPL (including preference share capital) as of March 31, 2016 was 9.14 million euros.

Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Şirketi (PE)

PSPL incorporated a 100% owned subsidiary Company, PE in Turkey for setting up a greenfield polyester film plant to cater to the European and other proximate markets. The commercial operations started in December 2005 with the start-up of the first thin PET film line. The issued and paid-up capital of PE, including additional contribution from PSPL as of March 31, 2016, was 8.83 million euros.

Polyplex Trading (Shenzhen) Co. Ltd (PTSL)

In September 2009, PTL invested in setting up a wholly-owned trading company in Shenzhen, China, through PSPL. The decision to invest in the setting up a trading company in China was a strategic initiative to establish the Company's presence in China, which is one of the largest and the fastest-growing market in this industry. The issued and paid-up capital of PTSL as at March 31, 2016 was USD 0.4 million.

Polyplex America Holdings Inc (PAH)

In August 2011, PTL invested in setting up a 100%-investment and trading & distribution company in the US named PAH. PAH further invested in Polyplex (USA) LLC, the manufacturing/ distribution entity. The issued and paid-up capital of PAH (including the additional paid-in capital) as on March 31, 2016 was USD 36.62 million.

Polyplex USA LLC (PU)

Polyplex USA LLC was established in July 2011 as a 100% subsidiary of PAH. PU was incorporated to expand the global manufacturing footprint into North America by setting up a thin PET film line, a continuous process PET chips plant and metallising capacity. The members' contribution, which represents the paid-up capital of PU, was USD 29.5 million as on March 31, 2016.

EcoBlue Ltd. (EL)

EcoBlue Ltd. was established as a subsidiary of PTL in October 2012 in Thailand to provide end-of-life solutions for film-based process waste. As of 1st July 2016, PTL held 66.5% in EcoBlue Ltd. The paid-up capital of EcoBlue Ltd as at March 31, 2016 was THB 10.65 million.

Polyplex Europe B.V. (PEBV)

PEBV was established in the Netherlands in April 2013 as a 100% owned distribution subsidiary of PTL to service EU customers. The paid up capital of PEBV as at March 31, 2016 was 0.2 million euros.

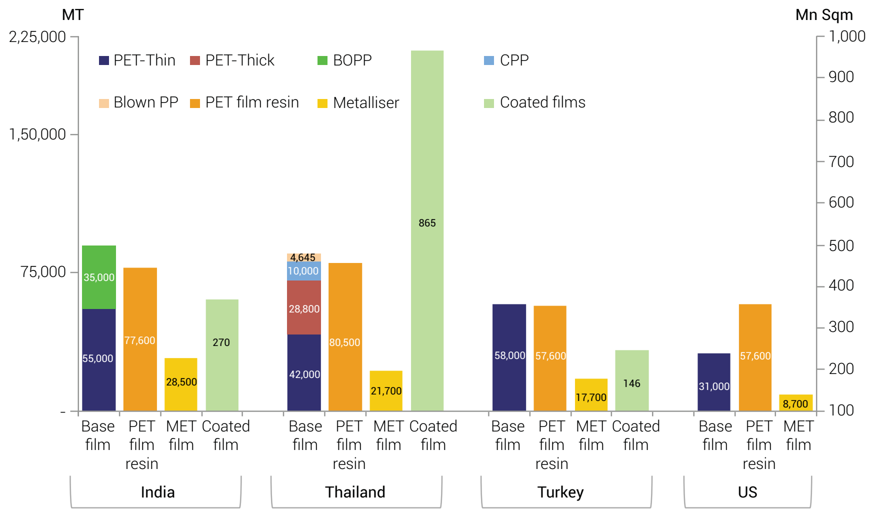
Polyplex Paketleme Çözümleri Sanayi ve Ticaret Anonim Şirketi (PP)

In September 2013, PE established a Company in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret Anonim Şirketi (PP), holding 100% of its share capital for trading PET Film, PET chips and other products. The registered and fully paid up share capital of this Company was 100,000 Turkish liras as of March 31, 2016.

Production capacities

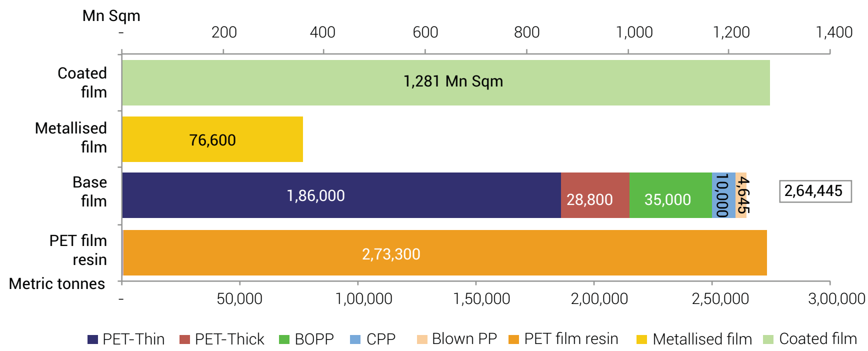
Manufacturing capacities across various locations:

Polyplex Group capacity



Note: Base films, resins and metallised films in metric tonnes; coating capacity in million square metres; The Board of Investment (BoI)-approved capacity at PTL, Thailand is: PET films (48,000 tonnes), PET chips (85,000 tonnes), Metallised films (29,400 tonnes) and Coated films (1.090 million square metres)

Polyplex Group capacity – segment-wise



PET film industry overview

The traditional segmentation of PET films has been thin and thick films based on distinct applications and lack of supply side substitutability. Thick films generally refer to films with a thickness range of 50-350 microns whereas films below 50 microns are characterised as thin film. In recent years, several intermediate thickness (23-150 microns) lines have also been installed. The PET film industry has seen various structural changes over the years, with Asian countries now dominating production and consumption.

Thin PET film market

The largest application of thin PET films is flexible packaging, which accounts for 74% of the total thin films used. Flexible packaging plays a key role in source reduction based on the principle of 'use-less packaging material in the first place'. This resulted in higher-than-GDP growth in the global flexible packaging industry. PET film, being a preferred high-end substrate

within the packaging segments, has grown more rapidly than other substrates, averaging around 7-9% per annum. Packaging demand is resilient as it is driven by the consumption of food products and consumer staples, which are non-discretionary in consumption. This packaging segment characteristic has resulted in steady demand growth, despite the prevailing economic slowdown.

An increase in purchasing power in developing countries was accompanied by a rise in per capita packaging material consumption. The key demand growth drivers in these regions comprised an increase in organised sector share in retailing, increasing consumerism, population growth and lifestyle changes arising out of higher disposable incomes, need for brand differentiation, environmental awareness, continuous product innovation, health awareness, favorable demographics and a need for convenient packaging. However, when compared with mature markets, per capita packaging material consumption in the developing countries is still low.

Asia is the largest market for thin PET films, accounting for more than three quarters of global consumption. Within Asia, India and China are the largest consumers.

A similar trend is also evident on the supply-side with most new capacities being added in low-cost developing countries. A large proportion of the new capacity is focused on the packaging segment, with an emphasis on productivity and cost management. This impacted traditional large producers of PET film operating with high cost structures, who chose to concentrate on niche technologies like films for LCDs, solar panels, touch screens and specific high-end applications within packaging. While trade defense measures like anti-dumping and countervailing duties were invoked in the past, they were unable to address the problems of inefficient assets in developed countries producing standard films.

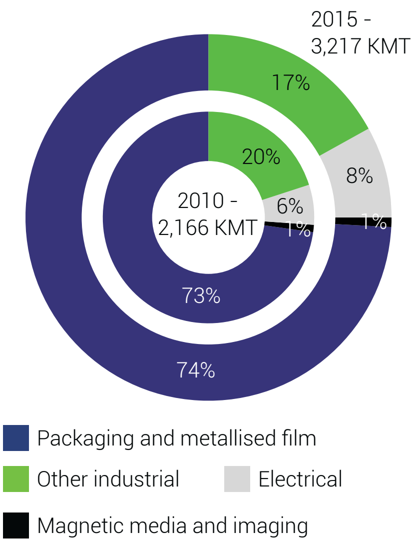
In 2010-11, the thin PET film industry witnessed significant oversupply due to excessive capacity creation following exceptionally high margins. The overhang is expected to continue.

Global thin PET film growth is expected at about 7-8% for the next few years; demand in India and other Asian countries is growing at 9-10%. Companies with consistent quality products, diversified product portfolio, access to international customers, focus on cost optimization and stronger supply chains stand a better chance of participating in market growth and strengthening margins above the industry average.

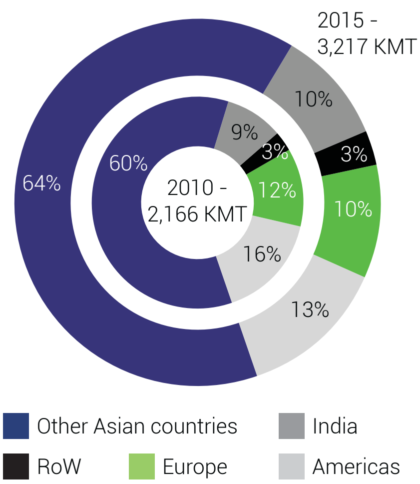
The global capacity utilisation for thin PET film is as under:

Between 2006 and 2012, global average capacity utilisation of PET film manufacturers was in the range of 80-90% of rated or nameplate capacity. Since the year 2013 utilisation rates had declined sharply and reached to the level of 67-68% due to excess capacity build-up in the industry, which is expected to gradually improve over the next 2-3 years. The levels of 80-90% are considered close to full capacity. In practice, some producers produce lower than the nameplate capacity due to the long use and hence the poor condition of machinery while some produce with capacity utilisations even higher than 100% of the nameplate capacity using new and modern machinery and based on their long-time expertise and experience.

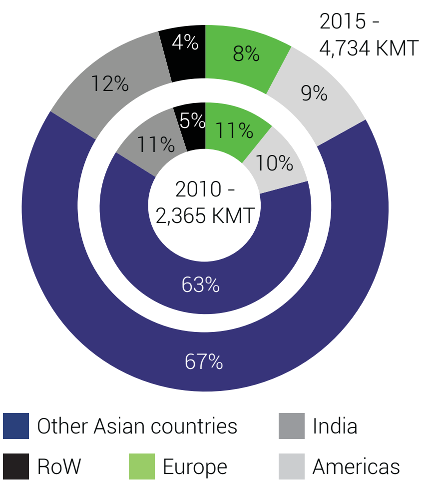
Global thin PET film demand by end users



Global thin PET film demand by region

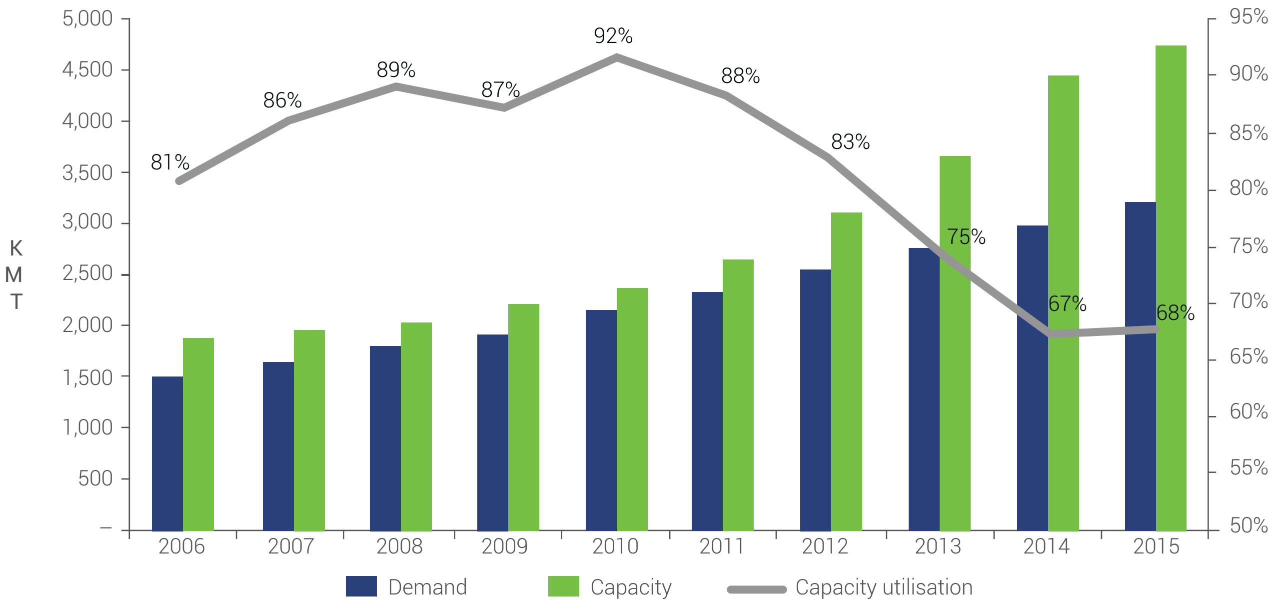


Global thin PET film capacity by region



Source: Company estimates

Global thin plain PET film capacity



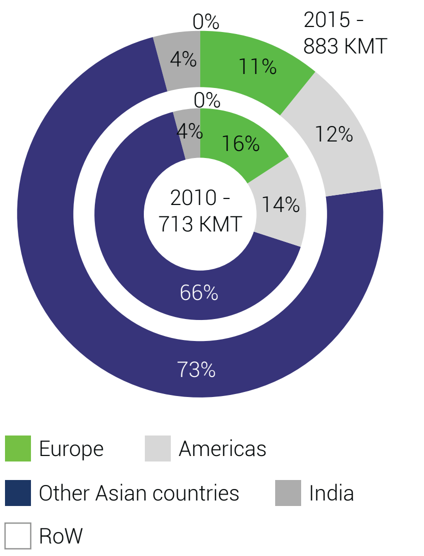
Source: Company estimates, based on nameplate capacity

Thick PET film

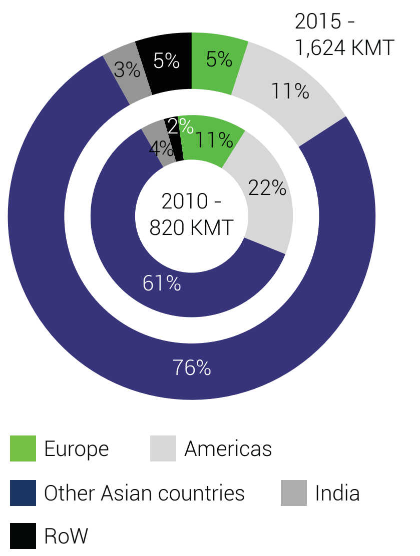
The demand for thick PET film is concentrated in Central and Eastern Asia, which accounts for around 75% of the global consumption. Electrical and industrial are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of about 6 to 7% over the past ten years. Global growth has been apparent in all end-user sectors with the exception of medical/ other (x-ray) applications. Over the past few years, China emerged as the largest market for thick PET films, having overtaken Japan. Innovative applications in like flat screen panels and photovoltaic panels among others are helping the industry grow at a CAGR of about 5% over the medium-term.

Similar to thin PET film business, capacity addition of thick PET film has been in China, South Korea and Japan. Producers in Europe and the US constitute around 23% of global capacity.

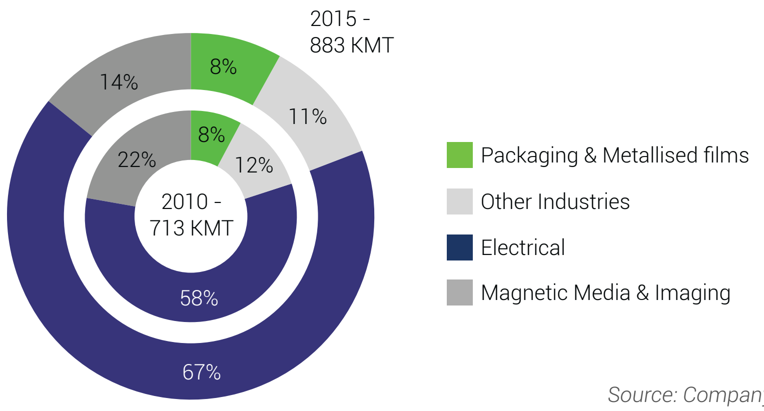
Global thick PET film demand by region



Global thick PET film capacity by region

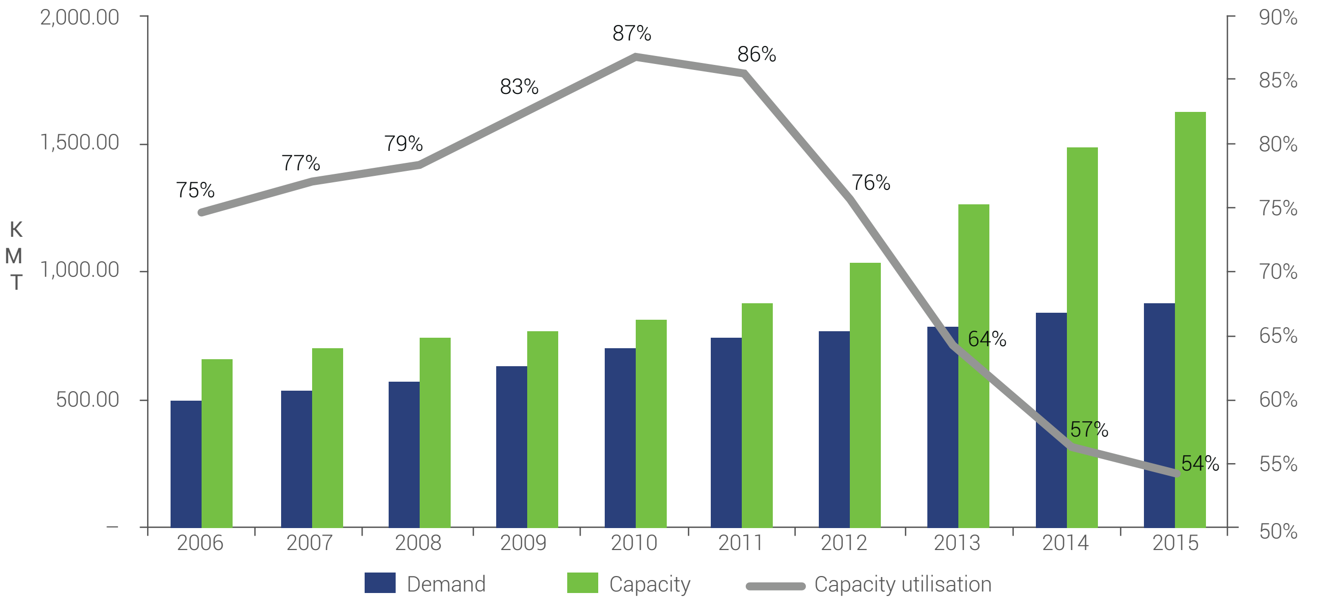


Global thick PET film demand by end use



Source: Company estimates

Global thick plain PET film capacity

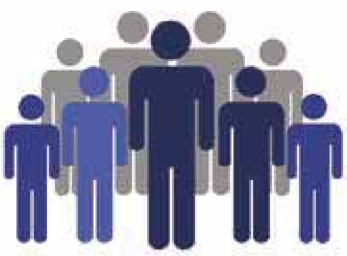


Source: Company estimates, based on nameplate capacity

Till 2011, global average demand increased at a CAGR of 8% whereas capacity increased at a CAGR of 5%, strengthening utilisation of thick PET film capacity. Since 2011, the increase in capacities was substantial (at a CAGR of 16-17%) whereas demand increased only at 4-5%, resulting in excess supply.

The Company's first Thick film line in Thailand which was started in FY 2013-14 is capable of producing films for high end applications in electronic and optical segments. Photovoltaic (PV) Energy is emerging as a significant application due to push for green energy and decreasing cost of PV module. The Company supplies to all major PV back sheet manufacturers and has initiated trials in the optical segment.

Demand drivers for plastic films



Population growth

Urbanisation

Improved quality of life

Increasing environmental awareness

Increasing consumerism

Population growth: According to a UN report, global population (currently 7.4 billion) is expected to reach 8.5 billion by 2030, 9.7 billion in 2050 and 11.2 billion in 2100. *[Source: UN]*

Urbanisation: Urban population will continue to rise at nearly twice the pace of total population growth between 2012 and 2030, accounting for 60% of the world's population by 2030.

Improved quality of life: With improving life quality, consumers are expected to move towards packaged product consumption. The projected growth for 2030 tells world per capita GDP growing to around $14,000 from $10,000 in 2016.

Increasing environmental awareness: Owing to increasing global environmental awareness, PET films will gain popularity owing to their lower environmental impact (recyclable, emitting lower amounts of green house gases and lightweightedness).

Increasing consumerism: The income growth has led to an increase in global consumer spends, boosting the PET film industry.

Indian flexible packaging market

India is one of the world's biggest and fastest-growing flexible packaging markets. The thin PET film market size in India was estimated at around 310,000 tonnes for FY 2015-16. During FY 2016-17, growth of 10-11% is expected, with similar growth in the flexible packaging industry. The total capacity of BOPET thin films in India is about 560,000 tonnes per annum with some of the surplus being exported. The Indian BOPP market is estimated at about 290,000 tonnes per annum with a capacity of 610,000 tonnes. Demand is expected to grow at around 10-11% annually.

BOPP and CPP films business

The BOPP film industry is driven by markets and areas of the world that historically were considered 'developing nations'. Similar dynamics were also seen in the CPP business. Growth in Asia (China and India) has been strong and expected to continue. These businesses are regional in nature and regional demand-supply balances been relevant. The long-term fundamentals of these investments continue to be good.

Silicone coating and extrusion coating businesses

The silicone coating business produces release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Applications of siliconised polyester release liners include release liners for adhesive tapes, cast polymer materials for electronic applications, roofing and other industrial uses. The Company had expanded its capacity by commissioning a second coating plant in Thailand in March 2012.

PTL has also commissioned a blown PP/PE line in October 2013. This new product enabled better use of the silicone coating facility with a broadening of the product range (including the 'peel and stick' liner segment for the roofing market in North America and Europe).

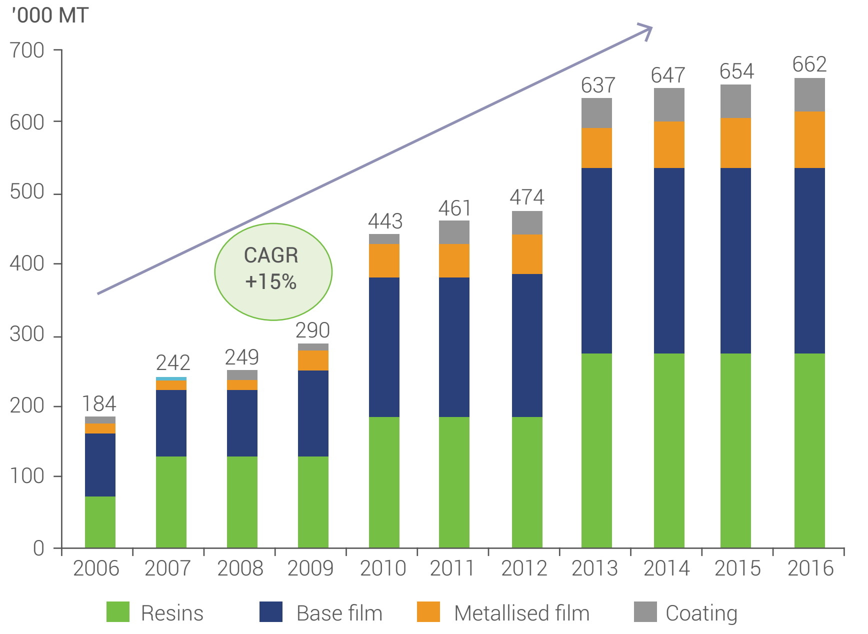
The extrusion coating business involves a combination of PET/BOPP film with an extruded adhesive layer to produce a thermal lamination film. Thermal lamination films are used in the application of plastic film to the surface of another item (like paper) to improve durability and aesthetics. The principal uses comprise teaching aids, maps, certificates, posters, menu cards, book covers, cartons, reflective insulation and food packaging. PTL added a second extrusion coating line at the existing facility in Thailand (started commercial production in June 2013).

The US and the EU are the principal markets for the products from these businesses even as growth rates are expected to be higher in Asia.

Offline coating business

With the objective of strengthening the product portfolio, the Company diversified into the manufacture of offline coated films in Turkey and India in March 2014 and September 2014, respectively. Following the enhanced capability of value-added products, the Company widened its product portfolio into following segments:

Cumulative capacities



Note: Coater capacities converted into metric tonnes based on current product mix

Despite the challenging environment, the Company continues to identify growth avenues and is poised to enhance long-term shareholder value.

- Transparent barrier films (including ALOX coated films)
- Low emissivity films
- Peelable sealable films
- Yarn grade films

These products have various applications in food packaging, lidding, textile and industrial sectors. These products helped the Company enhance margins and reduce dependence on commodity films.

Strategy

Polyplex seeks to maximise long-term returns following a differentiated approach that responds proactively to business and environmental changes. The key elements of this strategy are as comprised:

- Manufacturing or distribution presence in key regional markets (India, Thailand, Turkey and the US) and distribution operations in two countries (China and the Netherlands). The warehouses in Poland, Spain, Germany, Mexico and Italy and representative offices in Malaysia and Korea have strengthened global delivery capabilities.
- Diversification helped the Company establish itself as a complete packaging substrate provider. The commissioning of a CPP line, thick PET film line and blown PP line in Thailand and BOPP line in India were decisive steps in this direction.
- The Company accelerated investments in niche downstream products to exploit synergies, broadbase the portfolio and provide a scalable platform. The setting up of extrusion coating lines in Thailand, silicone coating lines in India and Thailand, offline coaters in Turkey and India and sheeting facility in India for the digital print media segment comprised downstream investments.
- The manufacturing facilities were integrated around high productivity assets to enhance competitiveness.
- Continuous improvements (productivity and cost optimisation) were made through the use of rice husk boiler for heating instead of expensive furnace oil, packing and freight cost reductions, direct film casting, quality improvements and waste reduction, standardisation of business processes, among others.
- Systems were created and strengthened to enhance cross-learning and sharing best practices/ benchmarking across various units and business of the Group to enhance efficiency and synergy.
- Technical services and new products were developed by leveraging in-house R&D capabilities.
- A liquid and strong Balance Sheet enhanced flexibility to address growth opportunities.
- A plant in Thailand for recycling in-house and sourced plastic waste addressing growing concerns and directional need for the PET business.

The results of this strategy resulted in successful growth – CAGR of 15% in terms of capacity between 2006 and 2016.

Business process excellence (BPE)

To enhance our competitive advantage and differentiation, the Company invested in business process improvement and excellence. The objective of BPE is to:

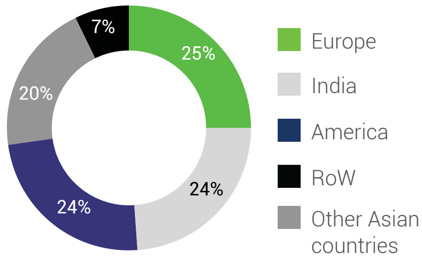
1. Establish and standardise business processes

2. Identify and execute improvement initiatives aimed at generating saving and/or delivering value to business partners (vendors and customers)

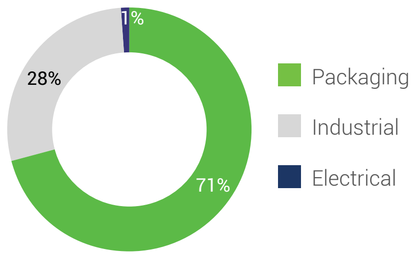
3. Leverage process and technology expertise with the objective to deploy across all locations

The BPE (business process excellence) team, formed two years back has undertaken several Group-level initiatives for optimising costs in the areas of freight, packaging and inventory management, electrical and thermal energy consumption and indigenisation of spares.

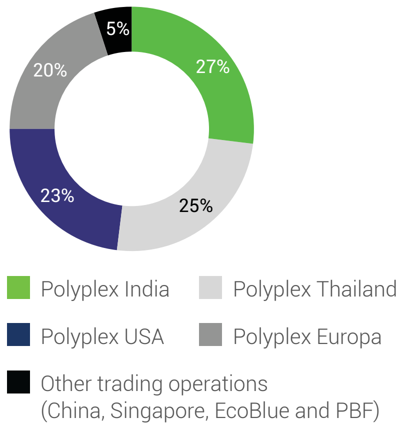
Region-wise breakup of sales



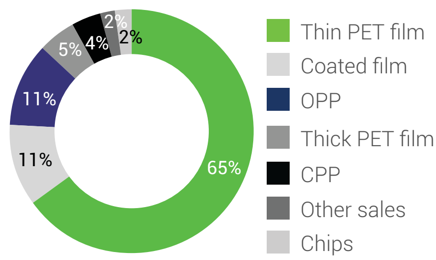
Application-wise breakup of sales



Operating company-wise breakup of sales



Business segment-wise breakup of sales



During FY2015-16, there has been a significant improvement in the areas of Customer Relationship Management (CRM) and customer complaint handling.

Projects

The Company is in the process of installing a new metalliser in India with an annual capacity of 8,100 metric tonnes to widen the portfolio of metallised films (commercial production expected to begin from Q2 FY 2016-17).

Performance during the year

All discussion here is in the context of the consolidated performance of the Company.

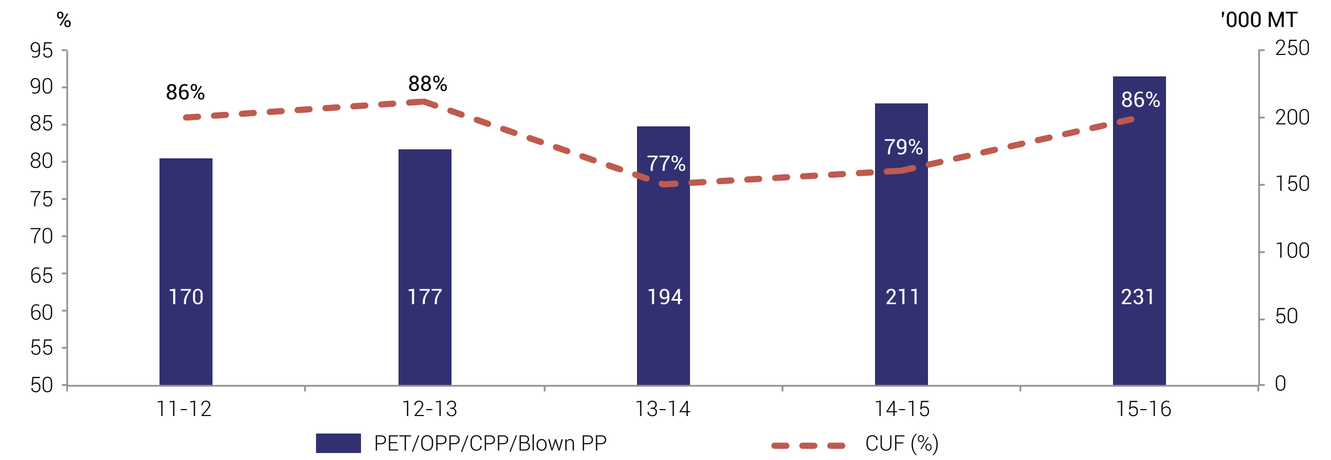
Sales and operations

The Company possesses a visible international presence with active sales in all major regional markets/countries. The Company has an extensive base of about 1,600 customers with low customer concentration. Its top-10 customers contributed 23% of revenues in FY 2015-16; 70% of the Company's revenues were from PET films (thin and thick) in FY 2015-16. Of the total sales of the Group, 48% was accounted by end-users. The breakup of the Company's revenues from various regions, operating companies, business segment and applications wise are given on the previous page.

During the year under review, there was a significant increase in the capacity utilisation for base films due to ramping up of the thin PET film lines in the US and thick PET film lines in Thailand (which had started operations during the cyclical downturn). The trend in production and utilisation levels for all base films (PET/OPP/CPP/Blown PP) is as under:

During the year under review, capacity utilisation was higher in both PET

PET/OPP/CPP/Blown PP Film Production and Capacity Utilisation



Financial performance

A snapshot of the income statement for the last two years is given below:

Particulars	2015-16			2014-15			Change (y-o-y)
	(₹ in lacs)		% of total expenses	(₹ in lacs)		% of total expenses	
Sales and other income	3,21,377	100%		3,32,207	100%		-3%
Manufacturing expenses	2,19,261	68%	68%	2,35,315	71%	74%	
Operating and other expenses	63,430	20%	21%	56,684	17%	18%	
EBITDA	38,686	12%		40,207	12%		-4%
Interest and finance charges	4,808	1%	2%	5,588	2%	2%	
Depreciation and amortisation	20,896	7%	7%	21,576	6%	7%	
Income before income tax	12,982	4%		13,044	4%		0%
Exceptional gain / (loss)	(6,566)	-2%		(4,775)	-1%		
Provision for income tax	4,792	1%		494	0%		
Net Income (before minority interest)	1,625	1%		7,775	2%		-79%
Minority interest	(1,279)	0%		3,980	1%		
Net income (after minority interest)	2,904	1%		3,795	1%		-23%

as well as BOPP film business and contribution from the value-added films businesses have also increased. However there was a loss mainly on account of unrealised foreign exchange fluctuation losses amounting to ₹6,095 lacs during the current year, in comparison to unrealised foreign exchange fluctuation gains worth ₹5,743 lacs during the previous year. This was on account of foreign exchange difference arising as a result of reinstatement of long-term loans charged to the Profit and Loss Account in overseas entities as per local accounting regulations. This has resulted in net decrease in EBITDA by 4%.

During the year under review, based on forecasts of future profitability, as per prudent accounting principles, provisions have been made for impairment losses affecting manufacturing assets held by Polyplex USA (PU) and the same has been reported as an exceptional item.

Tax expenses during the current year were largely a result of the reversal of the deferred tax assets created earlier in a US subsidiary based on future projections of profitability.

Sales and other income

A marginal decrease in topline during the year under review was mainly due to a decline in the selling price of the base films due to a fall in raw material prices. This was offset by an increase in sales volumes.

Other incomes during the year declined due to forex gains (net) during the previous year, as against forex losses (net) during the year under review. These forex losses are grouped under other expenses. Other income also included interest income generated through deployment of surplus cash in low-risk market instruments and fixed deposits.

The break-up of sales reveals that 70% of the overall revenues are derived from thin/thick PET film (67% in FY 2014-15), 2% from PET chips (4% in FY 2014-15), 11% from coating businesses (11% in FY 2014-15), 11% from BOPP films (13% in FY 2014-15) and 6% from CPP films/other sales (5% in FY 2014-15).

Manufacturing expenses

Even after increase in sales volume, manufacturing expenses declined by 7% in absolute terms due to fall in raw material prices. Furthermore, power and fuel costs reduced marginally due to lowered crude prices which was in turn partially offset by increased volumes.

Other manufacturing costs like packaging costs increased due to higher sales volumes. Store and spares and repair and maintenance costs have increased due to lumpy expenses arising from scheduled repair and maintenance activity.

Operating and other expenses

Operating and other expenses in absolute term have increased by 12%. Other expenses during the year under review include foreign exchange fluctuation loss (net) as compared to gain in the previous year.

Operating and other expenses like personal expenses, and selling expenses are higher – reflecting the impact of inflation and increase in sales volume. Administrative expenses are lower due to saving measures undertaken by the Company.

Sales and other income

	2015-16 (₹ in lacs)	2014-15 (₹ in lacs)	Change (y-o-y)
Sales	3,17,045	3,20,101	-1%
Other income	4,332	12,106	-64%
Total	3,21,377	3,32,207	-3%

Manufacturing expenses

	2015-16 (₹ in lacs)	2014-15 (₹ in lacs)	Change (y-o-y)
Raw materials consumed (Including stock accretion/decretion)	1,75,468	1,93,924	-10%
Power and fuel	20,049	21,736	-8%
Packing material consumed	13,044	11,689	12%
Stores and spares consumed	7,718	5,916	30%
Repairs and maintenance	2,983	2,051	45%
Total manufacturing expenses	2,19,261	2,35,315	-7%
Manufacturing expenses as a percentage of sales and other income	68%	71%	

Operating and other expenses

	2015-16 (₹ in lacs)	2014-15 (₹ in lacs)	Change (y-o-y)
Personnel expenses	29,515	26,746	10%
Administrative expenses	11,162	13,656	-18%
Selling expenses	16,739	16,079	4%
Other expenses	6,014	204	2847%
Total operating and other expenses	63,430	56,684	12%
Operating and other expenses as a percentage of sales and other income	20%	17%	

Interest and finance charges

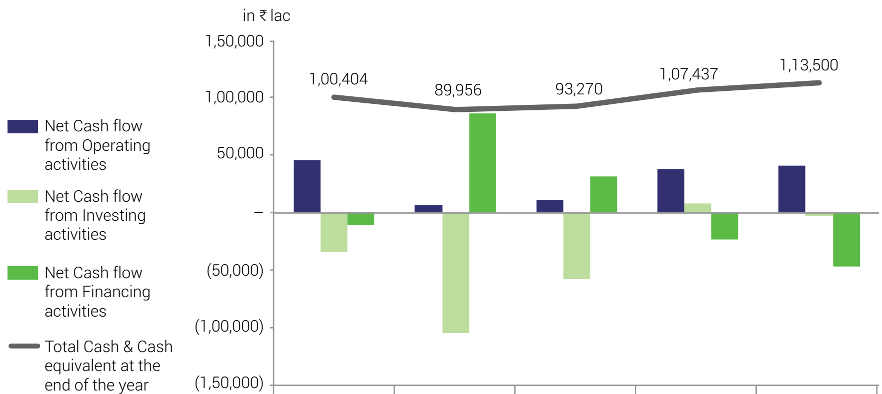
	2015-16 (₹ in lacs)	2014-15 (₹ in lacs)	Change (y-o-y)
Interest expense	4,604	5,274	-13%
Bank and other financial charges	204	313	-35%
Total interest and finance charges	4,808	5,588	-14%
Interest and finance charges as a percentage of sales and other income	1.5%	1.7%	

Financial expenses are lower than the previous year due to repayment/prepayment of term loan during the year under review.

Liquidity and capital resources

The Company ensures access to sufficient funding at acceptable costs to meet its business needs and financial obligations through business cycles. The Company relies on cash from operations and short-term/long-term debt for meeting its requirements. The Company continues to maintain adequate liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to more than ₹1,46,208 lacs (including unutilised working capital limits of ₹32,625 lacs and liquid investment of ₹83 lacs) as at the end of the reporting period.

Cash flows for last five financial years



	FY2011-12	FY2012-13	FY2013-14	FY2014-15	FY2015-16
Net cash flow from operating activities	46,254	7,178	11,353	37,601	41,404
Net cash flow from investing activities	(33,563)	(1,04,914)	(57,696)	8,433	(2,044)
Net cash flow from financing activities	(10,258)	86,214	31,060	(23,431)	(47,299)
Total cash and cash equivalent at the end of the year	1,00,404	89,956	93,270	1,07,437	1,13,500

Cash flow from operations

For the year under review, cash flow from operating activities has increased to ₹41,404 lacs on account of better margins, expanded scale of operations and realisation of net working capital invested in business, which is partly offset by marginal higher operating costs.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of ₹5,186 lacs in FY 2015-16 (₹15,688 lacs in FY 2014-15), mainly towards smaller investments in various locations. Interest and dividend income during the year is ₹2 245 lacs (₹1,988 lacs in FY 2014-15).

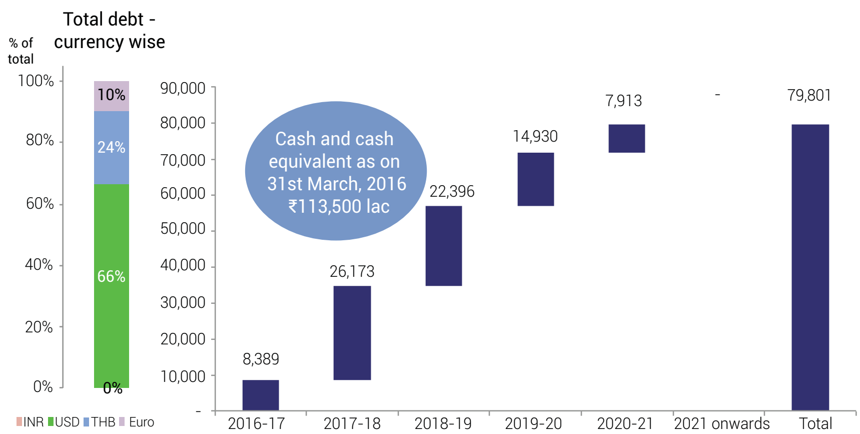
Cash flow from financing activities

During the year a net amount of ₹41,629 lacs was repaid/prepaid (after accounting for fresh borrowing) against long-term and short-term debt (₹17,067 lacs net borrowing in 2014-15). Interest paid during the year was ₹4,868 lacs (₹5,726 lacs in 2014-15). The Company paid dividend of ₹802 lacs in FY 2015-16 (₹639 lacs in 2014-15).

Debt profile

Total debt as on March 31, 2016 is ₹129,404 lacs, a decrease of ₹36,040 lacs over previous year (₹165,444 lacs). This is mainly due to scheduled principal repayments and some prepayments in Group companies.

Term loan repayment schedule (₹ in lacs)



Sustainability

Polyplex is committed towards sustainability and aims to be a total packaging solution provider for the customers while providing the highest standards of health and safety to the workforce, and developing products with minimal environmental impact. As an organisation, the Company continually strives to:

- Improve production and operational efficiencies to ensure optimal consumption of resources like electricity, water and raw materials.
- Minimise the impact on the environment by reducing emission levels of industrial waste and effluents.
- Improve safety and health standards by continuously improving working conditions, minimising workplace hazards and raising awareness through involvement, participation and continuous training of the shopfloor workforce.
- Engage with stakeholders to promote sustainable business practices.

Polyplex has undertaken the following decisive initiatives in the realm of environmental conservation:

- Operationalised latest technologies to save power across plants locations which resulted in substantial improvements in terms of energy efficiency.
- Embraced environment-friendly technologies to save substantial amounts of energy and reduced waste generation through the use of process trims and feed the waste directly to the extruder.
- Reduced greenhouse gas generation by using husk-fired heaters at its Indian facilities
- Monitored carbon footprints across manufacturing locations stringently.
- Operationalised a special recycling unit for processing waste, which was earlier rendered unusable.
- Switched to LED lighting across plants.

The Company has been following best practices relating to environment, health and safety and has been diligently following the guidelines been set out as per the following certifications:

Management system standards		PCL - Khatima	PCL - Bajpur	PTL - Thailand	PE - Turkey
ISO 9001:2008	Quality management system	Certified since 1996	Certified since 2010	Certified since 2004	Certified since 2006
ISO 14001: 2004	Environment management system	Certified since 2002	Certified since 2010	Certified since 2004	Certified since 2009
OHSAS 18001:2007	Occupational health and safety management system	Certified since 2004	Certified since 2012	Certified since 2008	Certified since 2009
ISO 22000: 2005	Food safety management system	Certified since 2008	Certified since 2012	Certified since 2009	NA
BRC-IOP	Food safety management system	NA	NA	NA	Certified since 2006
ISO 50001:2011	Energy management system	Certified since 2013	Certified since 2013	Under implementation	Certified since 2014

In the US, process for some of these certifications is underway and shall be implemented during the years to come.

Polyplex is committed towards sustainability and aims to be a total packaging solution provider for the customers while providing the highest standards of health and safety to the workforce, and developing products with minimal environmental impact.

Corporate social responsibility

Cognisant of its presence in an industry that can potentially cause irreparable harm to the environment, Polyplex has undertaken several corporate responsibility initiatives towards minimising its carbon footprint. Responsibility towards stakeholders and external agencies has been encouraged in order to foster a holistic corporate culture. Through its R&D initiatives, Polyplex has pioneered the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films. At its Khatima plant, Company has been running a school for the past two decades. The school provides over 1,600 students with best-in-class educational facilities. Under a PPP model at Bajpur and Khatima, Polyplex has adopted two local schools and provides them with the necessary infrastructure. Polyplex also offers a slew of sports and educational sponsorships as well as full scholarships to the school-going children of deceased employees. Polyplex promotes religious harmony through its even-handed support to local religious activities and celebrations. Polyplex has also contributed to the Rekhta Foundation, which is a non-profit organisation established to promote and disseminate Urdu literature among the masses. In line with the requirements of Companies Act, 2013, the Company has also constituted a CSR Committee with a keen emphasis on delivering a positive impact across social, economic and environmental parameters. A detailed report on CSR expenditure is provided in the Director's Report.

Innovation

Polyplex's innovation centre (R&D) has adopted a 'lean innovation model' in order to create enduring value for the customers. It aims to provide more than a new product or a substrate. Polyplex's innovation centre has introduced value-added products in the field of transparent and chlorine-free gas barriers ALOX coated packaging films, chlorine-free transparent high shrink sleeves and labels as well as specialty product coating technologies. Polyplex has adopted a well-defined customer engagement process to align innovations with customer requirements. The Company also focuses on developing applications and replacing existing products with alternative solutions.

- Commitment to open innovation: Polyplex leverages the concept of co-creation while working on various innovation programmes with its stakeholders – customers, brand owners, packaging designers, suppliers and adhesive manufacturers. On the basis of this, it classifies customer engagement initiatives as V+ (value plus), W2 (win–win) and P1 (power of one).

- Initiatives in the field of growth: Polyplex's innovation model revolves around devising new products and applications and embracing new technologies which cover not only the existing but also the new growth segments.

- Product and application development programmes: The purpose of this programme is to continuously come up with differentiated products and applications. Innovations in this area are mainly based on developing new functional surfaces and properties for PET and PP-based products based on future needs of the customers.

The Company offers innovative solutions to its partners. Consequently, Polyplex has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging solutions. The Company has taken various initiatives to recycle waste, save energy and use clean technology to reassert its environmental commitment. Polyplex continually strives to manufacture sustainable products which gain global acceptance for example green candy wraps, direct digital printable films, transparent, chlorine-free, high-barrier films, UV printable carton lamination films, shrink sleeve wraps and label films.

Polyplex has made a name for itself by routinely introducing specialty products with various innovative applications and uses. Recent examples include films for back sheets of solar panels, thick films for electrical and electronic appliances, easy-to-tear packaging films for food and cosmetics, foldable films for medical and industrial uses, high-barrier, highly-adhesive films for metallic surfaces, transparent barrier films for food packaging, specially-coated PET films and specialised films for print media suitable for digital printable and UV inks, among others. The Company's photographic films are compatible with the high-end printing machines. These photographic films are long-lasting, non-tearable, environment-friendly and capable of reproducing better colours. The Company also develops agriculture films which can be used in greenhouses. Polyplex created a packaging film specially designed for energy bars and successfully launched it during the year under review.

Going ahead, the Company intends to develop microwaveable films, print media substrates suitable for Laser, ink-jet printing, back-lit applications and easy-to-tear films, among others.

Polyplex has attained leadership in the thin PET film business with manufacturing and distribution operations in six countries

Human resources

Polyplex Group employs approximately 1,850 people across the globe. The Company has a manufacturing presence in India, Thailand, Turkey and the US. The Company closely monitors employee performances and accordingly creates career progression paths. The Company employs top-notch students from various premier institutions in the country. The Company has also focused on rotating job responsibilities. Under this the key executives are rotated inside the organisation which brings lots of inter-departmental experience and created the organisation a better place to work for.

The Company during the year gone by, has laid a keen emphasis on manpower rationalisation and localisation (mainly in the overseas units) through the following initiatives:

- Manpower costs have been brought under control and inter-unit deployments of critical resources have been undertaken to support the businesses.
- Functional integration and vertical compression of hierarchy has synergised operations and improved cost competitiveness.
- A keen emphasis has been laid in the NPD, R&D and technical services areas. To strengthen the R&D team and prepare a talent pipeline, M. Tech and M.Sc. students have been hired from premier institutes.
- Attrition levels are under control.

Effective implementation of the HRIS (human resource information system) has improved visibility and access to accurate information thereby quickening decision-making on people-related issues at the Group-level. Polyplex continues to incorporate user-friendly plug-ins and upgrade the system so as to empower its employees adequately.

An agreement over the wage was settled amicably between the management and the workers' union at the Khatima plant. Industrial relations remained cordial at all the other units too. The next few years will be spent on consolidating the HR base of the Company in a bid to enhance per employee productivity.

Information technology

During the year under review, the Company continued to implement IT enablement initiatives for automatising and optimising processes. The Company started developing an integrated application platform to replace standalone business applications. The Company also worked on deploying customised tools to empower the marketing and technical service teams better. The Company also worked towards expanding the coverage of web-based training and development portal for employees. The Company upgraded networks and infrastructure components to improve system performance. The Company utilised the hybrid cloud model to provide better communication and HR infrastructure to its global users.

Internal control systems and their adequacy

The internal controls are commensurate with the size and the nature of the nature of the operations of the Company. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, safeguarding of resources and utilising them to the maximum, promoting operational efficiency, compliances with applicable regulations and ensuring reliability of financial reporting. In addition, there is an internal audit process that reviews the in-system checks and regularly covers significant operational areas. The audit reports, submitted by the internal auditors, are reviewed by the audit committee. Any suggestions for improvements submitted to the committee are considered and the implementation of corrective actions, wherever required, is followed up. Statutory and internal auditors are also invited to the audit committee meetings to ascertain their views on the adequacy of internal control systems. Periodically, the Board of Directors is informed of the same.

Outlook and planned investments

Exceptionally high margins during FY2010-11 had attracted a lot of investments in the PET film business. As such, over the next 24 months, it is expected that growth in demand and supply would compensate each other and the existing surplus scenario would persist for another couple of years. However, demand-supply balance in Asia is expected to tilt more in buyers' favour as supply growth is expected to outstrip growth in demand. The Company believes that its well-distributed manufacturing operations, diversified, value-added product portfolio, quality consistency, international customer base, efficient supply chain and a conservative Balance Sheet should allow it to grow profitably and withstand industry volatilities.

Risk management

Polyplex's integrated risk management approach comprises compliance with prudential norms, structured reporting and effective controls. A combination of centrally-issued policies and locally sensitised procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

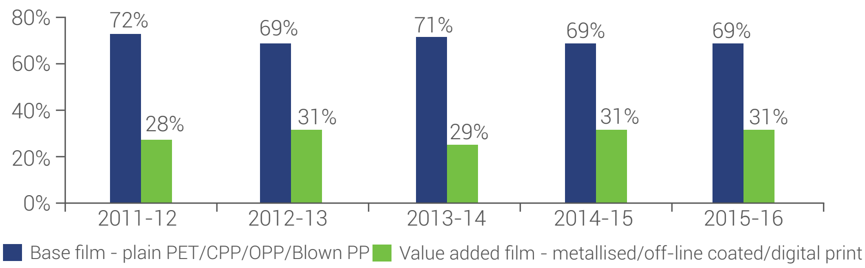
1 Competition and business cycle risk

The industry cycle of PET films hinge on the difference between PET film prices and raw material (PTA and MEG) prices. Whenever the demand-supply balance favours the suppliers, the gap between PET film and raw material prices widens and encourages manufacturers to increase production by expanding capacities. On the contrary, if PET film supply exceeds market demand, prices drop, thereby narrowing the gap between the film and raw material prices. This cyclical nature inevitably affects every sectoral player. Post the FY2010-11 aberration, a lot of capacity addition took place in the PET film industry. This skewed the demand-supply scenario and impacted margins. This surplus scenario expected to persist atleast for the next couple of years.

Risk mitigation

The Company's business model is designed to moderate volatility in earnings and build long-term competitiveness. Its modern manufacturing assets lend it the ability to service key regional markets while minimising logistics costs. A well-distributed manufacturing presence provides better access to global markets and allows it to maintain a more balanced sales profile across regions, customers and currencies. Broad-based product lines (BOPP, CPP, digital print films, blown PP and thick and specialty films) enables the Company to emerge as a one-stop-shop. A full-fledged portfolio comprising different substrates and specialty films cushions the Company from demand-supply volatilities.

Share in film sales turnover



2 Liquidity and solvency risk

Liquidity implies the ability of a corporate to meet its debt obligations and finance its future investments. A less than optimal debt-equity ratio could limit the investment capacity of a corporate. Generally, if the cost of debt is lower than the return on investments, by increasing the financial leverage, a corporate can enhance return on equity. However, since there is an obligation to make fixed interest and principal repayments, volatile cash flows could strain the liquidity of a corporate. Also, higher debts could limit the ability of the Company to finance further investments.

Risk mitigation

Notwithstanding net repayments and prepayments of ₹703,95 lacs over the past two years, the Company has sufficient cash reserves, allowing its net debt-equity ratio to remain at 0.05. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to more than ₹1,46,208 lacs. The Company had divested its 100% stake in the brownfield bottle-grade PET resin plant in Turkey which has also contributed towards maintaining the cash balance and improving the debt-equity ratio. The Company periodically undertakes 'stress tests' to evaluate the potential impact of an adverse economic and industry environment. Free cash flows along with large unutilised credit lines available at Polyplex's disposal are expected be quite adequate to deal with unforeseen contingencies.

3 Credit risk

Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms.

Risk mitigation

The Company has a well-defined and robust internal credit management system to monitor unsecured sales. During FY2015-16, the Company had 1,600 customers and 23% of the total revenues were contributed by the top 10 customers. A strong internal credit risk management policy has enabled Polyplex to manage credit risk prudently even when credit risks were high. The average credit period of during FY 2015-16 stood at 46 days compared to 45 days in FY2014-15.

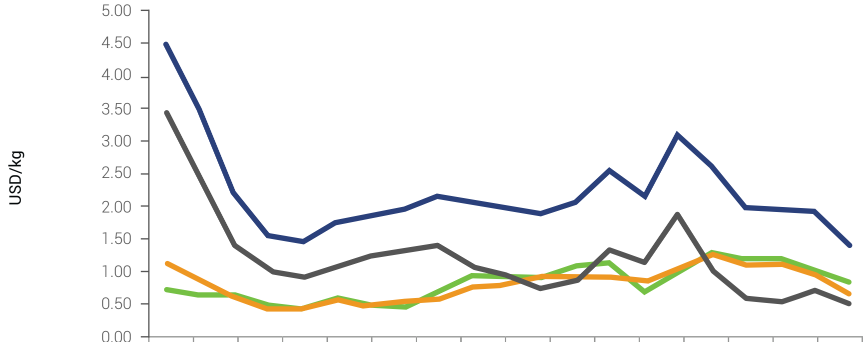
4 Price volatility risk

The basic raw material for production of PET film is PET resin, which in turn is produced from PTA and MEG. The cost of resin is thus the single-largest component of the total production costs. Hence, any adverse fluctuations in the cost of PET resin can impact the Company's operating margins depending upon the Company's ability to pass on cost increases to its customers. As selling prices are usually negotiated on a monthly/ quarterly basis, in a balanced demand supply situation, the Company is able to adjust the selling prices following any changes in PET resin costs. Although the pace of capacity addition had slowed down, the thin PET film industry continued to witness a surplus scenario, contracting margins. The PET film industry witnessed a continuous fall in raw material prices in the FY 2015-16 due to the fall in crude prices globally, which were passed on to the customer given the supply overhang. Analysis of historical data shows strong links between PTA/ MEG and polyester film prices.

Risk mitigation

The Company monitors global and local input price trends carefully and determines its procurement plans accordingly. Moreover, unpredictable price movements of raw materials affect all industry participants and thus does not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors. The prices of downstream products like silicone-coated and extrusion-coated films are less susceptible to changes in raw material prices and thus reduce the Company's vulnerability in the face of volatile resin costs

PET film - PTA - MEG price trend (Far East)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PET film (12 microns Corona)	1.76	1.83	1.94	2.15	2.07	1.98	1.88	2.06	2.54	2.13	3.08	2.61	1.99	1.95	1.92	1.42
PTA	0.57	0.49	0.53	0.59	0.75	0.81	0.90	0.88	0.91	0.84	0.97	1.27	1.10	1.10	0.94	0.66
MEG	0.58	0.50	0.46	0.67	0.93	0.92	0.91	1.08	1.15	0.69	0.97	1.30	1.18	1.21	1.03	0.84
RM for PET film	0.71	0.61	0.64	0.76	1.00	1.04	1.13	1.17	1.21	0.99	1.20	1.59	1.40	1.40	1.20	0.89
Value addition over PTA and MEG	1.05	1.22	1.31	1.39	1.07	0.94	0.75	0.89	1.33	1.14	1.87	1.02	0.60	0.55	0.71	0.53

PET film (12 microns Corona) PTA MEG Value addition over PTA and MEG

5 Project implementation risk

Any delay in implementation, cost overrun, inability to stabilise production from the new investment and failure to meet the target investment objectives may significantly affect future profitability

Risk mitigation

The risks are mitigated by forming a dedicated project management team, corporate management oversight, management commitment and suitable protection clauses in contractual arrangements and appropriate insurance products. Although the Company takes into consideration various regulatory aspects at the project feasibility stage but subsequent changes during implementation phase may lead to project delays.

6 Regulatory risk

Regulatory compliance is a key consideration for the PET industry. In order to ensure the safety of food that is packaged and consumed, extensive regulations have been put in place by various regulatory bodies like the USFDA, the EEC, among others.

Risk mitigation

The Company stringently conforms to the relevant FDA and EEC directives for food packaging applications.

7 Trade defense risk

International trade in PET film has been subject to trade defense measures for more than two decades through the imposition of anti-dumping duties and countervailing duties. Anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the countries of the exporters. The important markets adopting this measure are the EU, the US and Brazil. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive.

Risk mitigation

The Company undertakes all safeguards to insulate itself against risks arising out of anti-dumping actions and other trade barriers imposed by importing countries. A well-diversified manufacturing presence and an end-to-end product portfolio also helps mitigate fallouts emanating from such actions.

In the last US anti-dumping petition of 2007 against producers of PET film from Thailand, China, Brazil and the UAE, duties were imposed against China, the UAE and Brazil but exports from Thailand were found to be not causing any injury to the US domestic industry. This had led to non-imposition of any special duties on exports from Thailand to the US. In the last sunset review conducted by the US Department of Commerce, AD duty on Brazil has been revoked, though duties on China and the UAE would continue to prevail. As per the last administrative review, the AD duties on China and the UAE are in the range of 4.44% to 76.72%.

As per the final results of the administrative review conducted by the US Department of Commerce for the review period 2013-14, exports from Polyplex India to US are subject to Anti Dumping rate of 0.59% and CVD rate of 6.09%. However, with the thin PET film line in USA, Polyplex is able to service customers in USA through local production. The Anti Dumping duty on other Indian producers is in the range of 0% - 5.71% and CVD rate is in the range of 2.11% - 65.59%. Over the last few years, AD and CVD duties imposed by EU on imports from India have been eliminated.

Since March 2012, Brazil has imposed AD duties on imports of PET films from Turkey, UAE and Mexico in the range of USD 67.44 per metric tonne to USD 1,013.98 per metric tonne, with duty on exports from Polyplex Turkey to Brazil being the lowest. However, as sales from Polyplex Turkey to Brazil are limited, the impact of AD duty is minimal. As per the recent anti dumping investigation by Brazil on imports of PET films from China, Egypt and India, the injury to domestic industry has been determined and anti dumping duties have been imposed. The AD duty on Polyplex India is USD 255.5 per metric tonne. The duties imposed on China, Egypt and India are in the range of USD 222.15 per metric tonne to 946.36 per metric tonne. Brazil has also imposed CVD on imports of PET film originated from India ranging significantly between USD 0 – USD 689.66 per metric tonne. The CVD on Polyplex India is USD 4.24 per metric tonne.

In 2014, Indonesia initiated a dumping investigation against imports of PET film from Thailand, India and China. As Thailand has exposure to Indonesian market, they have cooperated in the investigation and have submitted the required information to the Indonesian investigating authorities. As per the final outcome of the investigation, Polyplex Thailand has been imposed a duty of 2.2% which is the lowest among all the exporters.

8 Environmental and sustainability risk

The packaging industry is prone to certain environmental and sustainability risks. For instance, in India an application has been filed before National Green Tribunal against the use of BOPP/PET-based packaging material. This application seeks to impose an outright ban on the usage of such packaging materials. Also, the new Plastic Waste Management Rules, 2016 have restricted the manufacture and use of plastic carry bags and has urged municipal authorities to set up of a plastic waste management system. The concerned ministry has come out with these new rules which provide for certain stringent provisions related to usage of multi-layer plastic packaging.

Risk mitigation

The industry association has confirmed that BOPP/PET-based packaging material is safe for food packaging and enhances the shelf-life of products. It offers properties like high barrier, high performance and low contamination which keeps the product completely sealed off from the environment. It is also convenient for handling as it occupies lesser space and has lower weight compared to glass, tin and paper. The film is also recyclable. It does not contain any hazardous chemicals and is compliant with EEC directives and FDA regulations. It offers various sustainability advantages like low raw material consumption being lightweight, low energy consumption etc.

9 Exchange rate and interest rate risk

These risks arise on account of unanticipated changes in exchange rates. As the Company deals in multiple currencies due to its operations across different locations, the Company is exposed to risks on account of currency mismatches. Interest rate risk is the risk borne by interest bearing debt and investments, due to variability in interest rates. In case of financing done at floating rates, as the interest rates changes cost of borrowing also changes, thus impacting cash flows.

Risk mitigation

Since the currency markets are highly volatile, the Company minimises such risks by adopting a farsighted hedging strategy. A natural hedge is created by choosing the right currencies for trading and taking loans. Thus, the Company fixes the currency of the liability in order to match with the currency of operational surplus. The remaining mismatched exposures are optimised by the Company by carefully identifying, measuring, monitoring and hedging the net exposures by using simple instruments like forwards. This ensures that the maximum potential loss remains within defined limits. As there is a natural hedge available for all long-term borrowings, the Company does not cover the exchange rate risk on these liabilities. Therefore, the foreign exchange translation gain/ loss on these liabilities, as reported in the financial statements, may not have a corresponding impact on the cash flows of the Company as the payments for these loans are met via future receivables in the same currency. The forex risk is managed on a standalone basis to protect stakeholder interests by guaranteeing that cash flows are not transferable between Group entities.

The currencies used for borrowing by the Company are US dollars, Euros, Rupees and Bahts. As the Company is net US dollar surplus, the maximum borrowings are in US dollars (66% of the debt profile). This is followed by borrowings in Thai Bahts (24%) and the balance is in Euros (10%). Any spike in dollar value has a negative impact on loan liabilities but with majority of the Company's exports happening in dollar denomination, the impact on the Company is minimal.

There are various reasons for interest rate changes like economic growth, inflation expectations, and unemployment, among others. All these factors are external and uncontrollable. In order to have a more balanced loan portfolio and taking into account the cost benefit analysis, the Company has shifted some of its floating rate debt to fixed rate through interest rate swaps.

10 Geographic risk

An overt dependence on a particular geography mat not bode well for the Company.

Risk mitigation

The installed capacity of base films as well as downstream units is quite evenly spread out among the four manufacturing country locations of India, Thailand, Turkey and the US. Based on the Company's experience it would appear that the risks are not significant. Though some political problems have been faced in Thailand and Turkey, they have had no significant effect on business activities. In the event these problems escalate, there may be some impact for a short duration. However, no adverse long-term impact is envisaged.

Cautionary statement

This report contains forward-looking statements which may be identified by their use of words like 'plans,' 'expects,' 'will,' 'anticipates,' 'intends,' 'projects,' 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

Directors' Report

Your Directors have pleasure in submitting the Thirty-first Annual Report together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2016.

Financial Highlights and Operations

During the year working results of the Company were as under:

a) Standalone (₹ in Lacs)

Particulars	2015-16	2014-15
Total Income (Net of Excise Duty)	96,932.27	1,06,949.55
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	10,778.15	11,593.09
Less : Finance Costs	821.07	1,620.42
Less : Depreciation & Amortisation	6,464.82	7,688.93
Profit before Tax and Exceptional Item	3,492.26	2,283.74
Add: Exceptional Item- Gain/ (Loss)	(996.00)	–
Profit before tax but after exceptional item	2,496.26	2,283.74
Less/(Add):Tax expense & prior period adjustment	(198.92)	289.92
Profit after Tax (PAT)	2,695.18	1,993.82
Add : Surplus brought forward	29,882.23	28,806.59
Add: Corporate Dividend Tax written back	27.89	108.72
Profit available for Appropriations	32,605.30	30,909.13
Appropriations:		
Transfer to General Reserve	269.52	199.38
Proposed Final Dividend	959.54	799.62
Corporate Dividend Tax	–	27.90
Balance surplus carried to Balance Sheet	31,376.24	29,882.23

b) Consolidated Working Results (Under Indian GAAP) (₹ in Lacs)

Particulars	2015-16	2014-15
Total Income (Net of Excise Duty)	3,21,377.13	3,32,206.84
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	38,685.57	40,207.36
Less : Finance Costs	4,807.91	5,587.66
Less : Depreciation & Amortisation	20,895.56	21,575.60
Profit/ (Loss) before Tax and Exceptional Item	12,982.10	13,044.10
Add : Exceptional Item - Gain /(Loss)	(6,565.82)	(4,774.79)
Profit/ (Loss) before tax but after exceptional item	6,416.28	8,269.31
Provision for tax & prior period adjustment	4,791.59	494.38
Profit/ (Loss) after Tax before Minority Interest	1,624.69	7,774.93
Less : Minority Interest	(1,279.14)	3,980.19
Profit/ (Loss) after tax and Minority Interest	2,903.83	3,794.74
Earnings Per Share (of ₹10/- Each) (₹) (Basic)	9.08	11.86
Earnings Per Share (of ₹10/- Each) (₹) (Diluted)	9.08	11.86

Year in Retrospect

During the year under review, total income declined from ₹1,06,950 Lacs to ₹96,932 Lacs, due to softening of the raw material prices despite increase in capacity utilization. Profit after Tax for the year was higher at ₹2,695 Lacs as compared to ₹1,994 Lacs during the preceding year.

During the year under review, consolidated total income decreased from ₹3,32,207 Lacs to ₹3,21,377 Lacs. Profit after Tax for the year was lower at ₹2,904 Lacs as compared to ₹3,795 Lacs. This is mainly on account of unrealized Foreign Exchange Fluctuation Loss amounting to ₹6,095 Lacs during the current year in comparison to unrealized Foreign Exchange Fluctuation Gain of ₹5,743 Lacs during the previous year. This was on account of Foreign Exchange difference arising as a result of re-instatement of long term loans charged to Profit and Loss account in overseas subsidiaries as per Local Accounting Regulations.

Further, during the year under review, based on forecasts of future profitability, provision of ₹6,566 Lacs has been made for impairment losses affecting manufacturing assets held by Polyplex USA and the same has been reported as an exceptional item. Tax expense during the current year is largely due to reversal of the deferred tax asset created earlier in a US subsidiary based on future projections of profitability.

Dividend and Transfer to Reserves

Your Board has proposed Dividend of ₹3.00 per share, which would be paid after its declaration by the members at the ensuing Annual General Meeting.

The Board of Directors have transferred a sum of ₹269.52 Lacs from the current year's profit to General Reserves.

Change in the nature of business, if any

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

Material Changes and Commitments

No material changes and commitments affecting the financial position of your Company have occurred between the end of the Financial Year of the Company to which financial statements relate and on the date of this report.

Management Discussion and Analysis Report

As required by Regulation 34 read with Para B of Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {(SEBI (LODR) Regulations, 2015)}, a detailed 'Management Discussion & Analysis Report' (MDA) is presented in a separate section forming part of the Annual Report.

More details on operations and a view on the outlook for the current year are also given in the 'Management Discussion & Analysis Report'.

Subsidiary Companies

During the year Company had following subsidiaries/ stepdown subsidiaries whose performance are included in the consolidated financial statement viz. Polyplex (Thailand) Public Company Limited, Thailand, EcoBlue Limited, Thailand, Polyplex (Asia) Pte. Ltd., Singapore, Polyplex (Singapore) Pte. Ltd., Singapore, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey, Polyplex Paketleme Cozumleri Sanayi Ve Tickaret Anonim Sirketi, Turkey, Polyplex Europe B.V., Netherlands, PAR LLC., USA, Polyplex America Holdings Inc., USA, Polyplex USA LLC., USA, Polyplex Trading (Shenzhen) Co., Ltd., China and Peninsula Beverages and Foods Company Private Limited, India.

As required by Section 129 of the Companies Act, 2013, ('the Act') and other applicable laws Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with applicable Accounting Standard(s) issued by Institute of Chartered Accountants of India (ICAI), form part of the Annual Report.

A separate statement containing the salient features of the financial statements of the subsidiary companies in Form AOC-I is attached to the Financial Statements and forms part of the Annual Report.

Highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the period under report are discussed in MDA and Form AOC-I, which forms part of the Annual Report.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes attached to Financial Statements.

During May 2016, Polyplex (Thailand) Public Company Limited, Thailand, made 'Rights' offering of ordinary shares of Baht 1 each at a offering price of Baht 6.40 per share, in which your Company and its wholly owned subsidiary viz. Polyplex (Asia) Pte. Limited, Singapore, participated and consequent upon issue of 'Rights' shares and purchase of shares from market, effective stake of your Company in Polyplex (Thailand) Public Company Limited has increased from 51.00% to 54.08%.

Deposits from public

The Company has not accepted any deposits from public during the Financial Year 2015-16. There were no unclaimed deposits as at March 31, 2016.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, in relation to the Financial Statements for the Financial Year 2015-16, the Board of Directors state that : -

i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2016 and of the profit of the Company for the year ended on March 31, 2016;

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) Annual accounts have been prepared on a 'going concern' basis;

v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

Independent Directors and Declaration by Independent Directors

During the year four Independent Directors viz. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana and Ms. Pooja Haldea served on the Board of the Company.

Mr. Ranjit Singh was appointed as an Additional Director w.e.f May 12, 2016 in the Independent Directors Category and holds office upto the date of ensuing Annual General Meeting. The Board of Directors on the recommendations of Nomination and Remuneration Committee have proposed to re-appoint him as an Independent Director.

All the Independent Directors have given the requisite declaration that they meet the criteria of independence as prescribed under the Act and SEBI (LODR) Regulations, 2015.

Non-Independent Directors and Directors Retiring by Rotation

During the year four Non-Independent Directors (including one Whole Time Director) served on the Board viz. Mr. Sanjiv Saraf, Mr. Sanjiv Chadha, Mr. Rakesh Awasthi and Mr. Pranay Kothari (Whole Time Director).

Mr. Rakesh Awasthi ceased to be a director of the Company w.e.f. May 3, 2016 consequent upon withdrawal of nomination by IDBI Bank Ltd.

Mr. Sanjiv Chadha retires by rotation and being eligible, offers himself for re-appointment.

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, Mr. Pranay Kothari, Whole Time Director, Mr. Manish Gupta, Chief Financial Officer and Mr. Ashok Kumar Gurnani, Company Secretary are the Key Managerial Personnel of the Company.

Number of meetings of the Board

During the Financial Year 2015-16, five meetings of the Board were held and the gap between two consecutive meetings was not more than 120 days. Details about the attendance at these meetings are given in the Corporate Governance Report attached.

A separate meeting of the Independent Directors was held on August 11, 2016, without the attendance of non-independent directors and members of management pursuant to the provisions of Code for Independent Directors prescribed in Schedule IV of the Act.

Policy on Directors Appointment and Remuneration

The Nomination and Remuneration Committee (NRC) constituted by the Board of Directors has laid down the criteria and process of identification/ appointment of Directors and payment of remuneration. These include possession of requisite qualification, experience, ethics, integrity and values, absence of conflict with present or potential business operations of the company, balanced and maturity of judgement, willingness to devote sufficient time and energy, high level of leadership, vision and ability to articulate a clear direction for an organisation.

While selecting or recommending appointment of any Director, NRC shall have regard to the total strength of the Board prescribed under the Articles of Association and the Act, composition of the Board with respect to Executive and Non-Executive Directors and Independent and Non-Independent Directors and gender diversity.

Appointment of Independent Directors must satisfy the criteria laid down under the Act and Listing and other Regulations.

Components of remuneration for Executive Directors would include normal Salary structure including perquisites as applicable to senior employees as per policies / schemes of the Company.The appointment and overall remuneration as far as possible be within the statutory ceilings and subject to requisite approvals of the Members of the Company and Central Government, if required.

Non-executive directors would be entitled to payment of sitting fee for attending a meeting of the Board or Committee thereof of such amount as may be approved by the Board of Directors keeping in view the ceiling prescribed under the Act or Rules framed thereunder. Further, Non-executive directors may also be paid commission upto 1% of the Net Profits of the Company subject to requisite approval of the Board and Members.

Board, Committees and Directors Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements prescribed under Listing Agreements / SEBI (LODR) Regulations, 2015.

The performance of the Board and Committees was evaluated by the Board after seeking inputs from all the directors on the basis of following criteria :

a) Degree of achievement of key responsibilities.

b) Structure and Composition.

c) Establishment and delineation of responsibilities to Committees.
d) Effectiveness of Board processes, information and functioning.
e) Board culture and dynamics.
f) Quality of relationship between Board and Management.
g) Efficacy of communication with external stakeholders.

The performance of individual directors was evaluated on following criteria:

a) Participation at Board/ Committee Meetings.
b) Knowledge and Skill.
c) Managing Relationships.
d) Personal Attributes.

Independent Directors of the Company in their separate meeting held on August 11, 2016 reviewed the performance of non-independent directors and the Board as a whole and as also the performance of Chairperson of the Company.

Managerial Remuneration

Disclosures pertaining to Managerial Remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the Annexure A and B as also in the Corporate Governance Report.

Board Committees

Pursuant to the requirements under the Act and Listing Agreement/ SEBI (LODR) Regulations, 2015, the Board of Directors have constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

Audit Committee

The Audit Committee comprises of Mr. Brij Kishore Soni, Independent Director (Chairman), Mr. Rakesh Awasthi, Nominee Director of IDBI Bank Ltd., Dr. Suresh Inderchand Surana and Ms. Pooja Haldea, Independent Directors. The Board of Directors have accepted all the recommendation of the Audit Committee.

The details of the number of meetings held and attendance of members thereof are provided in detail in the Corporate Governance report.

Mr. Rakesh Awasthi ceased to be director and member of Audit Committee w.e.f. May 3, 2016 consequent upon withdrawal of his nomination from the Board by IDBI Bank Ltd.

Corporate Social Responsibility (CSR) Initiatives

The Board of Directors has constituted a CSR Committee comprising of Mr. Sanjiv Saraf (Chairman), Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana and formulated CSR Policy of the Company.

Corporate Social Responsibility Report pursuant to Section 134(3)(o) of the Act and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of this Report and is marked as Annexure C.

The details of the number of meetings held and attendance of members thereof are provided in detail in the Corporate Governance Report attached.

Corporate Governance

Corporate Governance Report forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 is attached.

Whistle Blower Policy – Vigil Mechanism

The Company has formulated Whistle Blower Policy in line with the provisions of the sub-section 9 and 10 of Section 177 of the Act and the Listing Agreement / SEBI (LODR) Regulations, 2015. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

A copy of the Policy is available on the website of the Company at www.polyplex.com.

Auditors

Statutory Auditors

The Company's Auditors M/s. Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E) retire at the forthcoming Annual General Meeting. A certificate from the said Auditors has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Act read with Rules made thereunder. Based on the recommendations of the Audit Committee, your Directors recommend reappointment of M/s. Lodha & Co., Chartered Accountants, as Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the Annual General Meeting to be held immediately after March 31, 2017.

In the Auditors Report to the members for the Financial Year 2015-16 there are no qualifications, reservations or adverse remarks or disclaimers requiring any explanation.

Internal Auditors

The Board of Directors on the recommendations of the Audit Committee have approved the reappointment of M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2016-17.

Cost Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Sanjay Gupta & Associates, Cost Accountants as Cost Auditors to audit the Cost Records of the Company for the Financial Year 2016-17 in respect of products manufactured by the Company falling under Central Excise Tariff Heading 3901 to 3914; 3916 to 3921; and 3925. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost

Auditor is required to be ratified by the Members. Accordingly, a resolution seeking ratification of the remuneration payable to M/s. Sanjay Gupta & Associates by the Members has been included in the Notice convening the 31st Annual General Meeting.

Secretarial Auditors

The Board of Directors on the recommendations of the Audit Committee had approved appointment of M/s. R S M & Co., Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2015-16 pursuant to the provisions of Section 204 of the Act and Rules made thereunder. Secretarial Audit Report received from them is annexed herewith as attached and marked as Annexure D.

There are no qualifications or observations or other remarks in the Secretarial Audit Report.

Other Statutory Information

Details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo prescribed under Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 are given in Annexure E.

Particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in Annexure A and B.

Extract of Annual Return

An extract of the Annual Return in Form MGT-9 is given in Annexure F.

Related Party Transactions

None of the transactions with any of related parties were in conflict with the Company's interest. Prescribed disclosure as required by the Accounting Standard (AS) 18 has been made in the notes to the Financial Statements. All related party transactions are negotiated on an arms-length basis and are in the ordinary course of business. Therefore, the provisions of Section 188(1) of the Act are not applicable.

The Related Party Transactions Policy as approved by the Board is available on the website of the Company at www.polyplex.com.

Risk Management

A detailed note has been provided under the Management Discussion and Analysis Report.

Internal Financial Control

The Company has laid down well defined and documented Internal Financial Controls. The Company has an overall framework for managing the risks in terms of the Enterprise Risk Management Policy. In the opinion of Board, Internal Financial Controls affecting the financial statements are adequate and are operating effectively.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status and Company's operations in future.

Human Resources

Your Company is committed towards creation of opportunities for its employees that help attract, retain and develop a diverse workforce. Company lays due importance to conducive work culture for its employees.

To reinforce core values and belief of the Company, various policies for employees' empowerment have been framed to enrich their professional, personal and social life. In addition to above, Company has also laid down Code of Conduct for Directors and Senior Management Personnel and Whistle Blower Policy.

Company has also laid down a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed pursuant to the said Policy/Act.

Listing of Shares and Depository System

Your Company's equity shares are listed on the BSE Ltd. and the National Stock Exchange of India Ltd.

Your Company's equity shares are being traded in 'demat' form since April 30, 2001. Shareholders of the Company who are still holding shares in physical form are advised to get their physical shares dematerialised by opening an account with one of the Depository Participants.

Acknowledgement

Your Directors wish to place on record their appreciation of the wholehearted and sincere cooperation the Company has received from the various departments of Central/State Governments, Financial Institutions and the Bankers to the Company. Your Directors also wish to place on record their appreciation of the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

Place : Noida
Date: August 11, 2016

Sanjiv Saraf
Chairman

Annexure to the Directors' Report

ANNEXURE-A

Statement showing particulars of employees of the Company required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board of Directors Report for the year ended March 31, 2016.

A. Employed for full year (₹ in Lacs)

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Kapil Gupta	Sr. Vice President (Profit Centre Head, India)	57	B.E. (Chem), PGDM (IIM, Ahm.)	18-Jul-2011	34	2,06,91,741	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey, Profit Centre Head
2	Mr. Manish Gupta	Chief Financial Officer	48	B.Com (Hons) MBA (Finance) (IIM, Bangalore)	1-Aug-2008	25	1,85,23,101	Polyplex (Thailand) Public Company Limited, Thailand, General Manager - Commercial
3	Mr. Pranay Kothari	Executive Director	57	FCA, CS	1-Aug-1985	31	1,48,54,708	Optima Consultants Private Limited, Consultant
4	Mr. Rajpal Yadav	Vice President (Projects)	54	Diploma (Mechanical)	1- July-2014	32	1,48,40,000	Polyplex (Thailand) Public Company Limited, Thailand, Head Projects
5	Mr. Ramakrishna Rao Kuchipudi	Sr. General Manager (NPD, R & D and TS)	53	B.Tech (Chemical) M. Tech (Chemical)	1-April -2009	31	1,44,32,019	Bhilangana Hydro Power Limited, General Manager
6	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	49	BE (Mech.), M. Tech (Industrial & Mgmt Eng.), IIT-K	1-Aug-2006	26	1,43,30,566	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey - Plant Head
7	Mr. Rajendra Singh Gaur	Vice President (Operation Head Plant)	55	Diploma (Instrumentation)	14-Jan-2009	36	86,09,582	Polyplex (Thailand) Public Company Limited, Thailand, Plant Head
8	Mr. Shailendra Kumar Srivastava	Asst. General Manager (NPD and TS)	43	MSC. (Chemistry) M. Tech (Polymer)	01-Jan-2010	23	72,55,261	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey - Manager Tech. Services
9	Mr. Manoj Agarwal	Sr. General Manager (NPD, R& D and Technical Services)	54	B.Tech (Chemical)	17-Feb-2005	34	55,53,122	Polyplex (Thailand) Public Company Limited, Thailand, Deputy General Manager
10	Mr. Ashok Kumar Gurnani	Company Secretary	58	FCS, AICAI, LL.B	05-Feb-1987	38	52,53,370	Bharat Gears Limited, Secretarial Executive

B. Employed for part of the year

(₹ in Lacs)

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Rohit Kumar Vashistha*	Chief Marketing Officer & Profit Centre Head, Saralam)	45	B.Tech (Metallurgy) MBA Marketing & International Business	01-July-2015	23	53,28,998	Polyplex (Thailand) Public Company Limited, Thailand, Managing Director

Notes:

1. Remuneration includes salary, performance award, actual expenditure incurred in connection with the residential accommodation or HRA, reimbursement of medical expenses, LTA, contribution to Provident Fund and Superannuation Fund and value of perquisites calculated in accordance with the rules framed under the Income Tax Act, 1961.
2. None of above employees holds 2% or more in the paid up equity shares of the Company in his own name along with his spouse and dependent children.
3. All appointments are contractual in nature.
4. None of the above employees is related to any Director of the Company.
5. * Mr.Rohit Kumar Vashistha employed for part of the year and has resigned from the Company with effect from October 31, 2015.

Annexure to the Directors' Report

ANNEXURE-B

Particulars of Remuneration

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company is as follows:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the person	Ratio to Median Remuneration
Non-Executive Directors	
Mr. Sanjiv Saraf	8.66
Executive Director	
Mr. Pranay Kothari	98.03

Above list does not include Non-Executive Director who were paid only sitting fee for attending the meetings of the Board/Committees. Therefore their median of remuneration is not applicable, hence not given.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of the person	% Increase in remuneration
Non-Executive Directors	
Mr. Sanjiv Saraf	12
Executive Director	
Mr. Pranay Kothari	10.63
Key Managerial Personnel	
Mr. Manish Gupta (CFO)	158.20
Mr. Ashok Kumar Gurnani (CS)	33.67

Above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/Committees at the rate of ₹20,000 per meeting of the Board or Committees thereof upto August 7, 2015 and sitting fee enhanced from ₹20,000/- to ₹50,000/- per meeting with effect from August 14, 2015.

(iii) The percentage increase in the median remuneration of employees in the financial year:

Remuneration of median employee increased by 16.36% during the year.

(iv) The number of permanent employees on the rolls of Company:

As on March 31, 2016, total numbers of employees were 767.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the remuneration of median employee was 16.36% as compared to average increase of 115.92% in the remuneration of managerial personnel.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company.

Company follows formal annual performance appraisal system to review performance and remuneration of all employees as per the Remuneration Policy.

Company affirms Remuneration paid to employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Place : NOIDA
Date : August 11, 2016

Sanjiv Saraf
Chairman

ANNEXURE-C

Report on Corporate Social Responsibility (CSR Report)

1. **A brief outline of the Company's CSR Policy, including the overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.**
   The Company has framed a CSR Policy in accordance with the provisions of the Section 135, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

   The Corporate Social Responsibility of the Company can be accessed at the website of the Company at http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf.

2. **The Composition of the CSR Committee:**
   Mr. Sanjiv Saraf, Chairman (Non Executive, Non Independent (Promoter).

   Mr. Brij Kishore Soni, Member (Non Executive, Independent).

   Dr. Suresh Inderchand Surana, Member, (Non Executive, Independent).

3. **Average Net Profits of the Company for the last three years:**
   ₹1,686.22 Lacs

4. **Prescribed CSR Expenditure (Two percent of the amount as in item 3 above).**
   ₹33.72 Lacs.

5. **Details of CSR Spent during the financial year (2015-16):**
   (a) Total amount to be spent for the financial year.
   ₹33.72 Lacs.

   (b) Amount unspent, if any
   NIL

   (c) Manner in which the amount spent during the financial year:

   As per Annexure attached

6. **Reasons for not spending the prescribed amount:**
   Not applicable.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**
   CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : NOIDA
Date : August 11, 2016

Sanjiv Saraf
Chairman of CSR Committee

Annexure to CSR Report

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				(₹)		(₹)	
1	Promoting Education	Promoting Culture / Language	State – National Capital Region	60,00,000	Direct	60,00,000	Implementing agency: Rekhta Foundation
2.	Promoting Education	Promoting Education	State – Uttarakhand District – Udham Singh Nagar	10,00,000	Direct	10,00,000	Implementing agency: Saraf Education Society
3.	Promoting Education	Promoting Education	Local area – Khatima and Bajpur State – Uttarakhand District – Udham Singh Nagar	5,53,523	Direct	5,53,523	Direct
	Total			**75,53,523**		**75,53,523**	

Place : NOIDA
Date : August 11, 2016

Sanjiv Saraf
Chairman of CSR Committee

ANNEXURE-D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Members
Polyplex Corporation Limited
CIN: L25209UR1984PLC011596
Registered Office: Lohia Head Road
Khatima 262308
Distt. Udham Singh Nagar,
Uttarakhand

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by POLYPLEX CORPORATION LIMITED ("hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2016 according to the provisions of :–

1. The Companies Act, 2013 ("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from May 15, 2015) ;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, notified on 28th October 2014 (Not applicable to the Company during the audit period)
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the audit period)
   (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; (Not applicable as the Company is not registered as

Registrar and Transfer Agent during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) ; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the Company during the audit period) ; and

(i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws as applicable to the Company ;

   (i) Factories Act 1948, and Rules made thereunder;

   (ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;

   (iii) The Environment Protection Act, 1986 and Rules made thereunder;

   (iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rule made thereunder;

   (v) Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder;

   (vi) Petroleum Act, 1934 and Rules made thereunder;

   (vii) Explosives Act, 1884 and Explosive Rules, 2008;

   (viii) The Legal Metrology Act, 2009 and Rules made thereunder;

   (ix) Indian Boilers Act, 1923 and Rules made thereunder.

7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We have also examined the compliances with the applicable clauses of the following:-

   (i) Secretarial Standards issued by the Institute of Company Secretaries of India and made effective from July 1, 2015.

   (ii) Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited upto November 30, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 1, 2015.

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

9. We further report that:-

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

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

   Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

   There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

10. We further report that during the audit period, there were no instances of :-

   (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;

   (ii) Redemption / Buy-back of Securities;

   (iii) Merger / Amalgamation / Reconstruction etc.;

This report is to be read with our letter of even date which is annexed as "Annexure-1" and form an integral part of this report.

For RSM & CO.
Company Secretaries

Ravi Sharma
Partner
FCS NO. 4468, C. P. NO. 3666

Dated : August 11, 2016
Place : New Delhi

ANNEXURE-1

The Members
Polyplex Corporation Limited
CIN: L25209UR1984PLC011596
Registered Office: Lohia Head Road
Khatima 262308
Distt. Udham Singh Nagar,
Uttarakhand

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For RSM & CO.
Company Secretaries

Ravi Sharma
Partner
FCS NO. 4468, C. P. NO. 3666

Dated : August 11, 2016
Place : New Delhi

Annexure to the Directors' Report

ANNEXURE-E

Information under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report.

(A) CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

a) Reduced electrical energy consumption by replacing existing refrigerant gas based AC Package Units with water cooled FCU/AHU in Khatima Plant.

b) BOPP Chill Roll is being cooled through cooling water instead of chilled Water.

c) Installed VFD at Husk heater primary pump to optimize the flow by varying the speed.

d) Audit done by Grundfos of Centrifugal water circulation pump for flow optimization.

ii) Steps taken by the company for utilizing alternate sources of energy and capital investment made on energy conservations equipment:

a) Crude EG recovery through Centrifuge and Filtration in place of recovery through steam in Chips Plant, Khatima.

b) Replacement of Conventional Lights with LED.

(B) TECHNOLOGY ABSORPTION:

i) Efforts made towards technology absorption:

a) 12 mm pinning blade installed in PET Line, Bazpur.

b) Blade pinning Installed in PET Line-1, Khatima.

c) Installed VAM Chiller for generation of chilled water from the waste heat of CP Plant, Bazpur.

d) NALCO make 3DTrasar installed for the improvement of cooling tower waterquality & also utilizing raw water instead of using costly soft water at both Locations.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

Various specialty films are developed in house for carton lamination segment for UV printing requirements. Various specialties are added in digital segment suitable for HP Indigo, Konica Minolta, Xerox printers, laser printers etc. As a result new products and new applications are added to company portfolio.

iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year):

a) The details of technology imported : Nil

b) The year of Import : N.A.

c) Whether the technology has been fully absorbed : N.A.

d) If not fully absorbed, areas where absorption has not taken place and thereasons thereof: N.A.

iv) Expenditure incurred on Research and Development:

Revenue expenditure on R&D incurred during the Year: ₹448.02 Lacs (Previous Year : ₹256.28 Lacs).

Capital expenditure on R&D incurred during the Year ₹Nil (Previous Year – ₹0.79 Lacs).

Total R&D expenditure as a percentage of total turnover is 0.48%.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned: ₹25,389.67 Lacs (Previous Year : ₹24,001.18 Lacs)

Used: ₹5,441.66 Lacs (Previous Year : ₹8,394.69 Lacs)

ANNEXURE-F

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L25209UR1984PLC011596
ii	Registration Date	October 18, 1984
iii	Name of the Company	POLYPLEX CORPORATION LIMITED
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India Phone-05943-250136, Fax: 05943-250281
vi	Whether listed company	Yes
vii	Name, Address and contact details of the Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower-B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel. : +91-40-67162222, Fax : +91-40-23001153 Toll Free No.: 1800-345-4001 Email : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Plastic Films and Resins	Group 222	98.85%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Polyplex (Asia) Pte. Ltd. 61 Club Street, Singapore - 069436	Foreign Company	Subsidiary Company	100.00	2(87)
2	Polyplex (Thailand) Public Company Ltd. 75/26, Ocean Tower-II, 18 Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok - 10110, Thailand	Foreign Company	Subsidiary Company	51.00	2(87)
3	Polyplex (Singapore) Pte. Ltd. 61 Club Street, Singapore - 069436	Foreign Company	Subsidiary Company	51.00	2(87)
4	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi Karamehmet Mah. Avrupa Serbest, Bolgesi, 3 Sokak No.-4, Ergene, Tekirdag, Turkey, Karamehmet Mah. Avrupa Serbest Bolgesi, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)

Sr. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5	Polyplex Trading (Shenzhen) Company Ltd. Room No. 1309, Block A, Galaxy Century Building, Caitian Road, Futian District, Shenzhen, Peoples Republic of China	Foreign Company	Subsidiary Company	51.00	2(87)
6	PAR LLC 12200, Ford Road, Sweet 20210 A, Farmers Branch, Texas-75234,USA	Foreign Company	Subsidiary Company	100.00	2(87)
7	Polyplex America Holdings Inc. Corporation Trust Centre, 1209, Orange Street, Wilmington, New Castle County, Delaware-19801	Foreign Company	Subsidiary Company	51.00	2(87)
8	Polyplex USA LLC 3001, Mallard Fox Drive N W, Decatur, Alabama-35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
9	EcoBlue Limited* 60/91, Moo 3 Siam Eastern, Industrial Park, Marbyangporn, Sub-district, Plauk Daeng District, Rayong, Thailand	Foreign Company	Subsidiary Company	37.74	2(87)
10	Peninsula Beverages and Foods Company Private Limited Plot No.40, New Mandakini, Greater Kailash-IV, New Delhi-110019	U15200DL2011PTC219226	Subsidiary Company	100.00	2(87)
11	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi Muhittin Mahallesi Cetin Emec, Bulvari, Acun Sokak, Cemil Bayram, Apt. No.7/1, Corlu/Tekirdag, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)
12	Polyplex Europe BV Strawinskylaan 1749, WTC, Toren D, 12e 1077XX, Amsterdam, Netherlands	Foreign Company	Subsidiary Company	51.00	2(87)

** Polyplex (Thailand) Public Company Limited has transferred 63,900 shares to the minority shareholder on 1st April, 2015, thereby reducing its shareholding from 80% to 74% in EcoBlue Limited.*

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (including Promoter Group)									
(1) Indian									
a) Individual/Hindu Undivided Family	–	–	–	–	–	–	–	–	–
b) Central Government	–	–	–	–	–	–	–	–	–
c) State Government(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporates	1,802,202	–	1,802,202	5.63	2,010,202	–	2,010,202	6.28	0.65
e) Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
f) Any other (Director and their relative)	46,198	–	46,198	0.14	829,198	–	829,198	2.59	2.45
SUB TOTAL:(A) (1)	**1,848,400**	–	**1,848,400**	**5.78**	**2,839,400**	–	**2,839,400**	**8.88**	**3.10**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individuals (Non Resident Individuals/ Foreign Individuals)	–	–	–	–	–	–	–	–	–
b) Bodies Corporates	13,158,134		13,158,134	41.14	13,158,134	–	13,158,134	41.14	–
c) Banks/Financial Institutions	–	–	–	–	–	–	–	–	–
d) Any other (Directors and their relatives)	4,000		4,000	0.01	4,000		4,000	0.01	–
SUB TOTAL (A) (2)	**13,162,134**		**13,162,134**	**41.15**	**13,162,134**		**13,162,134**	**41.15**	–
Total Shareholding of Promoters									
(A)= (A)(1)+(A)(2)	**15,010,534**		**15,010,534**	**46.93**	**16,001,534**		**16,001,534**	**50.03**	**3.10**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	1,553,274	22,100	1,575,374	4.93	2,426,023	21,500	2,447,523	7.65	2.73
b) Financial Institutions/ Banks	9,673	7,500	17,173	0.05	10,444	7,500	17,944	0.06	0.00
C) Central Government	–	–	–	–	–	–	–	–	–
d) State Government(s)	–	–	–		–	–	–		–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) Foreign Institutional Investors	160,733	15,200	175,933	0.55	234,616	15,200	249,816	0.78	0.23
h) Foreign Venture	–	–	–	–	–	–	–	–	–
Capital Investors	–	–	–	–	–	–	–	–	–
i) Others (specify)			–	–			–	–	–
SUB TOTAL (B)(1):	1,723,680	44,800	1,768,480	5.53	2,671,083	44,200	2,715,283	8.49	2.96
(2) Non Institutions									
a) Bodies corporates									
i) Indian	6,324,642	13,400	6,338,042	19.82	5,215,410	13,400	5,228,810	16.35	(3.47)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹1 lac	3,462,840	479,872	3,942,712	12.33	2,929,884	461,122	3,391,006	10.60	(1.72)
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lac	1,016,252	–	1,016,252	3.18	1,171,346	–	1,171,346	3.66	0.48
c) Others (specify):									
(c-i) NRIs	3,310,587	8,100	3,318,687	10.38	3,204,286	8,100	3,212,386	10.04	(0.33)
(c-ii) OCB	–	2,400	2,400	0.01	–	2,400	2,400	0.01	–

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c-iii) Directors and Relatives	4,584	–	4,584	0.01	4,584	–	4,584	0.01	–
(c-iv) Hindu Undivided Family	582,709	–	582,709	1.82	202,383	–	202,383	0.63	(1.19)
(c-v) Trusts	200	–	200	0.00	–	–	–	–	(0.00)
(c-vi) NBFC Registered with RBI	–	–	–	–	37,630	–	37,630	0.10	0.12
(c-vii) Clearing Members	–	–	–	–	17,238	–	17,238	0.10	0.05
SUB TOTAL (B)(2):	**14,701,814**	**503,772**	**15,205,586**	**47.54**	**12,782,761**	**485,022**	**13,267,783**	**41.48**	**(6.06)**
Total Public Shareholding									
(B)= (B)(1)+(B)(2)	**16,425,494**	**548,572**	**16,974,066**	**53.07**	**15,453,844**	**529,222**	**15,983,066**	**49.97**	**(3.10)**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**31,436,028**	**548,572**	**31,984,600**	**100.00**	**31,455,378**	**529,222**	**31,984,600**	**100.00**	**–**

(ii) Share Holding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2015)			Shareholding at the end of the year (As on March 31, 2016)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahalaxmi Trading & Investments Co. Limited	7,622,390	23.83	–	7,622,390	23.83	–	–
2	Secure Investments Limited	5,535,744	17.31	–	5,535,744	17.31	–	–
3	Sanjiv Sarita Investments Private Limited	1,390,924	4.35	–	1,390,924	4.35	–	–
4	Utkarsh Trading & Holdings Limited	411,278	1.29	–	411,278	1.29	–	–
5	Bhilangana Hydro Power Limited	–	0.00	–	208,000	0.65		0.65
6	Mr. Sanjiv Saraf	46,138	0.14	–	325,138	1.01	–	0.87
7	Ms. Amla Saraf	–	–		259,000	0.81		0.81
8	Ms. Sakhi Saraf	–	–		245,000	0.77		0.77
9	Mr. Sanjiv Chadha	4,000	0.01	–	4,000	0.01	–	–
10	Mr. Narayandas Durgaprasadji Saraf	20	0.00	–	20	0.00	–	–
11	Mrs. Urmiladevi Narayandas Saraf	20	0.00	–	20	0.00	–	–
12	Mrs. Sarita Saraf	20	0.00	–	20	0.00	–	–
	Total	**15,010,534**	**46.93**	**–**	**16,001,534**	**50.03**	**–**	**3.10**

(iii) Change in Promoter's Shareholding (including Promoter Group) (Please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2015)		Increase / Decrease in Shareholding		specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the end of the year (As on March 31, 2016)	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of shares	% of total shares of the company
1	Mahalaxmi Trading & Investments Co. Limited	7,622,390	23.83	–	–	–	7,622,390	23.83
2	Secure Investments Limited	5,535,744	17.31	–	–	–	5,535,744	17.31
3	Sanjiv Sarita Investments Private Limited	1,390,924	4.35	–	–	–	1,390,924	4.35
4	Utkarsh Trading & Holdings Limited	411,278	1.29	–	–	–	411,278	1.29
5	Bhilangana Hydro Power Limited	–	–	February 22, 2016	208,000	Market Purchase	208,000	0.65
6	Mr. Sanjiv Saraf	46,138	0.14	February 22, 2016	279,000	Market Purchase	325,138	1.02
7	Ms. Amla Saraf	–	–	February 22, 2016	259,000	Market Purchase	259,000	0.81
8	Ms. Sakhi Saraf	–	–	February 22, 2016	245,000	Market Purchase	245,000	0.77
9	Mr. Sanjiv Chadha	4,000	0.01	–	–	–	4,000	0.01
10	Mr. Narayandas Durgaprasadji Saraf	20	0.00	–	–	–	20	0.00
11	Mrs. Urmiladevi Narayandas Saraf	20	0.00	–	–	–	20	0.00
12	Mrs. Sarita Saraf	20	0.00	–	–	–	20	0.00
	Total	**15,010,534**	**46.93**	**–**	**991,000**	**–**	**16,001,534**	**50.03**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	**IL & FS Trust Company Ltd ^**							
	April 1, 2015	4165678	13.02%	April 1, 2015	Opening		4,165,678	13.02%
				April 3, 2015	-1,358	Transfer	4,164,320	13.02%
				April 10, 2015	-9,860	Transfer	4,154,460	12.99%
				April 17, 2015	450	Transfer	4,154,910	12.99%
				April 24, 2015	666	Transfer	4,155,576	12.99%
				May 15, 2015	15,665	Transfer	4,171,241	13.04%
				May 22, 2015	5,062	Transfer	4,176,303	13.06%
				May 29, 2015	8,519	Transfer	4,184,822	13.08%
				June 5, 2015	11,517	Transfer	4,196,339	13.12%
				June 12, 2015	11,287	Transfer	4,207,626	13.16%

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				June 19, 2015	20,689	Transfer	4,228,315	13.22%
				June 26, 2015	6,625	Transfer	4,234,940	13.24%
				July 3, 2015	-162	Transfer	4,234,778	13.24%
				July 10, 2015	-6,876	Transfer	4,227,902	13.22%
				July 17, 2015	-17,436	Transfer	4,210,466	13.16%
				July 24, 2015	-87,366	Transfer	4,123,100	12.89%
				July 31, 2015	-19,733	Transfer	4,103,367	12.83%
				August 7, 2015	-296,706	Transfer	3,806,661	11.90%
				August 14, 2015	-50,649	Transfer	3,756,012	11.74%
				August 21, 2015	81,359	Transfer	3,837,371	12.00%
				August 28, 2015	65,303	Transfer	3,902,674	12.20%
				September 4, 2015	53,213	Transfer	3,955,887	12.37%
				September 11, 2015	17,287	Transfer	3,973,174	12.42%
				September 18, 2015	1,708	Transfer	3,974,882	12.43%
				September 25, 2015	1,213	Transfer	3,976,095	12.43%
				October 2, 2015	-1,972	Transfer	3,974,123	12.43%
				October 9, 2015	-1,010	Transfer	3,973,113	12.42%
				October 16, 2015	36,440	Transfer	4,009,553	12.54%
				October 23, 2015	1,714	Transfer	4,011,267	12.54%
				October 30, 2015	25,591	Transfer	4,036,858	12.62%
				November 6, 2015	83,440	Transfer	4,120,298	12.88%
				November 13, 2015	14,672	Transfer	4,134,970	12.93%
				November 20, 2015	16,191	Transfer	4,151,161	12.98%
				November 27, 2015	12,089	Transfer	4,163,250	13.02%
				December 4, 2015	15,640	Transfer	4,178,890	13.07%
				December 11, 2015	15,130	Transfer	4,194,020	13.11%
				December 18, 2015	8,416	Transfer	4,202,436	13.14%
				December 25, 2015	5,569	Transfer	4,208,005	13.16%
				December 31, 2015	2,524	Transfer	4,210,529	13.16%
				January 8, 2016	11,236	Transfer	4,221,765	13.20%
				January 15, 2016	14,841	Transfer	4,236,606	13.25%
				January 22, 2016	11,251	Transfer	4,247,857	13.28%
				January 29, 2016	2,751	Transfer	4,250,608	13.29%
				February 12, 2016	7,272	Transfer	4,257,880	13.31%
				February 19, 2016	2,000	Transfer	4,259,880	13.32%
				March 4, 2016	20,016	Transfer	4,279,896	13.38%
				March 11, 2016	2,123	Transfer	4,282,019	13.39%
				March 18, 2016	13,230	Transfer	4,295,249	13.43%
				March 25, 2016	9,101	Transfer	4,304,350	13.46%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	15,399	Transfer	4,319,749	13.51%
	^ Held in its name in trust for K2 Family Pvt. Trust.							

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
2	**Ricky Ishwardas Kirpalani^^**							
	April 1, 2015	1580792	4.94%	April 1, 2015	Opening		1,580,792	4.94%
				September 25, 2015	-237	Transfer	1,580,555	4.94%
				January 15, 2016	536	Transfer	1,581,091	4.94%
				February 5, 2016	-9,222	Transfer	1,571,869	4.91%
				February 12, 2016	-1,636	Transfer	1,570,233	4.91%
				February 26, 2016	-2,603	Transfer	1,567,630	4.90%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	1,567,630	4.90%
	^^ Shares held in more than one demat account have been consolidated.							
3	**Keswani Haresh**							
	April 1, 2015	1551342	4.85%	April 1, 2015	Opening		1,551,342	4.85%
				August 14, 2015	-625	Transfer	1,550,717	4.85%
				December 11, 2015	-1,861	Transfer	1,548,856	4.84%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	1,548,856	4.84%
4	**Reliance Capital Trustee Co Ltd-Reliance Small Cap Fund**							
	April 1, 2015	1289039	4.03%	April 1, 2015	Opening		1,289,039	4.03%
				July 17, 2015	19,948	Transfer	1,308,987	4.09%
				July 24, 2015	112,681	Transfer	1,421,668	4.44%
				July 31, 2015	17,916	Transfer	1,439,584	4.50%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	1,439,584	4.50%
5	**Aadi Financial Advisors LLP***							
	April 1, 2015	496960	1.55%	April 1, 2015	Opening		496,960	1.55%
	At the end of the year (or on the date of separation, if separated during the year)			February 22, 2016	-496,960	Transfer	0	0.00%
6	**Akash Bhanshali***							
	April 1, 2015	311600	0.97%	April 1, 2015	Opening		311,600	0.97%
	At the end of the year (or on the date of separation, if separated during the year)			February 22, 2016	-311,600	Transfer	0	0.00%
7	**ICICI Prudential Tax Plan***							
	April 1, 2015	264235	0.83%	April 1, 2015	Opening		264,235	0.83%
				April 17, 2015	-63,553	Transfer	200,682	0.63%
				April 24, 2015	-564	Transfer	200,118	0.63%
				May 15, 2015	-36,632	Transfer	163,486	0.51%
				May 22, 2015	-93,716	Transfer	69,770	0.22%
				May 29, 2015	-13,877	Transfer	55,893	0.17%
				June 5, 2015	-19,841	Transfer	36,052	0.11%
				June 12, 2015	-19,919	Transfer	16,133	0.05%
	At the end of the year (or on the date of separation, if separated during the year)			June 19, 2015	-16,133	Transfer	0	0.00%

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
8	Niche Financial Services Pvt. Ltd.*							
	April 1, 2015	172000	0.54%	April 1, 2015	Opening		172,000	0.54%
				July 17, 2015	-60,000	Transfer	112,000	0.35%
	At the end of the year (or on the date of separation, if separated during the year)			July 24, 2015	-112,000	Transfer	0	0.00%
9	Kiran Chulani							
	April 1, 2015	166122	0.52%	April 1, 2015	Opening		166,122	0.52%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	166,122	0.52%
10	Star Finvest Pvt Ltd*							
	April 1, 2015	141000	0.44%	April 1, 2015	Opening		141,000	0.44%
				April 10, 2015	-2,876	Transfer	138,124	0.43%
				April 17, 2015	-124	Transfer	138,000	0.43%
				April 24, 2015	2,000	Transfer	140,000	0.44%
				May 15, 2015	1,000	Transfer	141,000	0.44%
				May 29, 2015	1,200	Transfer	142,200	0.44%
				June 5, 2015	2,800	Transfer	145,000	0.45%
				June 19, 2015	2,812	Transfer	147,812	0.46%
				June 26, 2015	-1,051	Transfer	146,761	0.46%
				July 3, 2015	-2,761	Transfer	144,000	0.45%
				July 10, 2015	-5,831	Transfer	138,169	0.43%
				July 17, 2015	-7,169	Transfer	131,000	0.41%
				July 24, 2015	-12,420	Transfer	118,580	0.37%
				July 31, 2015	-11,343	Transfer	107,237	0.34%
				August 7, 2015	-43,237	Transfer	64,000	0.20%
				August 14, 2015	-4,500	Transfer	59,500	0.19%
				August 21, 2015	-24,500	Transfer	35,000	0.11%
				August 28, 2015	5,436	Transfer	40,436	0.13%
				September 4, 2015	-13,358	Transfer	27,078	0.08%
				September 11, 2015	1,022	Transfer	28,100	0.09%
				September 18, 2015	-2,418	Transfer	25,682	0.08%
				September 25, 2015	-8,682	Transfer	17,000	0.05%
				October 2, 2015	6,000	Transfer	23,000	0.07%
	At the end of the year (or on the date of separation, if separated during the year)			October 9, 2015	-23,000	Transfer	–	–
11	DSP Blackrock Small and Mid Cap Fund**							
	April 1, 2015	0	0.00%	April 1, 2015	Opening		0	0.00%
				August 7, 2015	662,363	Transfer	662,363	2.07%
				August 14, 2015	135,059	Transfer	797,422	2.49%
				August 21, 2015	150,210	Transfer	947,632	2.96%
				August 28, 2015	38,807	Transfer	986,439	3.08%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	986,439	3.08%

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
12	**Citrine Fund Limited****							
	April 1, 2015	0	0.00%	April 1, 2015	Opening		0	0.00%
				July 17, 2015	20,000	Transfer	20,000	0.06%
				July 24, 2015	152,000	Transfer	172,000	0.54%
				August 7, 2015	-32,000	Transfer	140,000	0.44%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	140,000	0.44%
13	**Mahavir L Mehta****							
	April 1, 2015	78800	0.25%	April 1, 2015	Opening		78,800	0.25%
				April 10, 2015	50,000	Transfer	128,800	0.40%
				April 17, 2015	25,000	Transfer	153,800	0.48%
				April 24, 2015	1,000	Transfer	154,800	0.48%
				June 12, 2015	19,000	Transfer	173,800	0.54%
				June 19, 2015	3,000	Transfer	176,800	0.55%
				August 14, 2015	-43,020	Transfer	133,780	0.42%
				August 21, 2015	-50,000	Transfer	83,780	0.26%
				January 22, 2016	20,000	Transfer	103,780	0.32%
				February 5, 2016	4,000	Transfer	107,780	0.34%
				February 12, 2016	2,250	Transfer	110,030	0.34%
				February 19, 2016	13,375	Transfer	123,405	0.39%
				February 26, 2016	25	Transfer	123,430	0.39%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	1,000	Transfer	124,430	0.39%
14	**Ashmavir Financial Consultants Private Limited****							
	April 1, 2015	111600	0.35%	April 1, 2015	Opening		111,600	0.35%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	–	–	111,600	0.35%
15	**Poonam I Kirpalani ****							
	April 1, 2015	39857	0.12%	April 1, 2015	Opening		39,857	0.12%
				December 31, 2015	72,730	Transfer	112,587	0.35%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2016	0		112,587	0.35%

Note: 1 * Ceased to be in the list of Top ten shareholders as on 31.03.2016.

2 ** Not in the list of Top ten shareholders as on 01.04.2015.

3 Shares held in more than one demat account have been consolidated.

4 The above information is based on the weekly beneficiary position received from the Depositories and other disclosures received from shareholders.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2015)		Increase / Decrease in Shareholding		specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the end of the year (as on March 31, 2016)	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of shares	% of total shares of the company
A	DIRECTORS:							
1	Mr. Sanjiv Saraf	46,138	0.14	February 22, 2016	279,000.00	Market Purchase	325,138	1.02
2	Mr. Pranay Kothari*	–	–	–	–	–	–	–
3	Dr. Suresh Inderchand Surana	200	0.00	–	–	–	200	0.00
4	Mr. Brij Kishore Soni	–	–	–	–	–	–	–
5	Mr. Sanjiv Chadha	4,000	0.01	–	–	–	4,000	0.01
6	Mr. Jitender Balakrishnan	–	–	–	–	–	–	–
7	Mr. Rakesh Awasthi	–	–	–	–	–	–	–
8	Ms. Pooja Haldea	–	–	–	–	–	–	–
	* Mr. Pranay Kothari is Whole Time Director and Key Managerial Personnel of the Company							
B.	KEY MANAGERIAL PERSONNEL (KMPs) OTHER THAN WHOLE TIME DIRECTOR:							
1	Mr. Manish Gupta (Chief Financial Officer)	–	–				–	–
2	Mr. Ashok Kumar Gurnani (Company Secretary)	3,152	0.01				3,152	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹

Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	3,228,087,748	–	–	3,228,087,748
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	9,616,371	–	–	9,616,371
Total (i+ii+iii)	**3,237,704,119**	**–**	**–**	**3,237,704,119**
Change in Indebtedness during the financial year				
Additions	341,341,832	–	–	341,341,832
Reduction	1,781,060,177	–	–	1,781,060,177
Net Change	(1,439,718,345)	–	–	(1,439,718,345)
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	1,793,341,309	–	–	1,793,341,309
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	4,644,465	–	–	4,644,465
Total (i+ii+iii)	**1,797,985,774**	**–**	**–**	**1,797,985,774**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time directors and/or Manager: (In ₹)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager Mr. Pranay Kothari (Whole Time Director & Key Managerial Personnel)
1	**Gross salary**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, Act 1961.	13,572,260
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	380,848
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–
2	Stock option	–
3	Sweat Equity	–
4	Commission:	
	as % of profit	–
	others (specify)	
5	Others (Contribution of employer to Provident Fund and Superannuation Fund)	901,600
	Total (A)	**14,854,708**
	Ceiling as per the Companies Act	**14,160,789**

i. Above remunerations does not include a sum of ₹1,58,67,065/- provided in the Books of Account for the Financial Year 2015-16. Subsequently, Central Government approval regarding payment of total remuneration of ₹2,18,69,633/- was received for the Financial Year 2015-2016. Accordingly, a sum of ₹70,14,925/- has been released and amount of excess provision written back in the current financial year.

ii. Above remunerations does not include a sum of ₹41,08,665/- pertaining to Financial Year 2014-15, released during the Financial Year 2016-17, pursuant to receipt of approval of Central Government vide letter dated April 7, 2016.

B. Remuneration to other directors:

1. Independent Directors (In ₹)

Sl. No	Particulars of Remuneration	Name of the Director				Total Amount
		Dr. Suresh Inderchand Surana	Mr. Brij Kishore Soni	Mr. Jitender Balakrishnan	Ms. Pooja Haldea	
1	(a) Fee for attending Board/ Committee meetings	350,000	670,000	180,000	360,000	1,560,000
1	(b) Commission	–	–	–	–	
1	(c) Others, please specify	–	–	–	–	
	Total B (1)	**350,000**	**670,000**	**180,000**	**360,000**	**1,560,000**

2. Other Non Executive Directors (In ₹)

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Sanjiv Saraf	Mr. Sanjiv Chadha	Mr. Rakesh Awasthi*	
2	(a) Fee for attending				
	board/ committee meetings	220,000	120,000	240,000	580,000
2	(b) Commission	2,800,000	–	–	2,800,000
2	(c) Others, please specify.	–	–	–	–
	Total B(2)	**3,020,000**	**120,000**	**240,000**	**3,380,000**
	Total (B)=(B1+B2)				**4,940,000**
	Total Managerial Remuneration (A+B)				**19,794,708**
	Overall Ceiling as per the Act #				**16,992,946**

** Sitting fees paid to IDBI Bank Ltd. nominating bank*

 # The above overall ceiling shall be exclusive of any fees payable to Directors by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board as per Section 197.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Manish Gupta Chief Financial Officer	Mr. Ashok Kumar Gurnani, Company Secretary	
1	Gross Salary *			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,81,42,401	49,58,470	2,31,00,871
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	97,964	53,348	151,312
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission:	–	–	–
	as % of profit	–	–	–
	others, specify	–	–	–
5	Others (Contribution to Provident Fund and Superannuation Fund)	282,736	241,552	524,288
	Total	**1,85,23,101**	**52,53,370**	**2,37,76,471**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Report on
Corporate Governance

Pursuant to the requirements specified in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {(SEBI (LODR) Regulations, 2015)} the details of Corporate Governance and processes including prescribed compliances by the Company are as follows:

1. Company's philosophy on Code of Governance

The quintessential elements of Corporate Governance are fairness, transparency, accountability and responsibility. At Polyplex, the emphasis is on:

a) Enhancement of Shareholder value.

b) Protection of the interest of the public shareholders.

c) Long-term financial health of the Company.

d) Providing customers with quality products and services at competitive prices.

e) Environment friendly production methods.

f) Providing for fair wage and safe working conditions for employees and inviting inputs from employees in decision-making.

g) Contribution to the socio-economic development of the local community.

2. Board of Directors

a) Composition:

The Board is well structured with an adequate blend of Executive and Non-Executive Directors. As on March 31, 2016 the Board consists of Eight Directors of which One is Executive Director and Seven are Non-Executive Directors including One Woman Director. One half of the Board of Directors are Independent.

Mr. Pranay Kothari is an Executive Director of the Company.

Mr. Sanjiv Saraf and Mr. Sanjiv Chadha from Promoters' Category and Mr. Rakesh Awasthi, Nominee of IDBI Bank Ltd., are Non- Executive and Non-Independent Directors.

Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana and Ms. Pooja Haldea are Non-Executive Independent Directors. Independent Directors bring independent judgement in the Board's deliberations and decisions. Company has issued formal Letters of Appointment to Independent Directors and terms and conditions of appointment are disclosed on the website of the Company at www.polyplex.com.

Mr. Rakesh Awasthi, ceased to a Director of the Company w.e.f. May 3, 2016 consequent upon withdrawal of his nomination by IDBI Bank Limited. Further Mr. Ranjit Singh has been appointed as an Additional Director in the Non Executive Independent Category w.e.f. May 12, 2016.

Mr. Sanjiv Saraf, a Non-Executive Director from the Promoters' Category is the Chairman of the Company.

None of the Directors is related to any other Director or KMP of the Company.

b) Board Meetings

During the Financial Year 2015-16, five Board Meetings were held on May 30, 2015, August 14, 2015, October 31, 2015, December 26, 2015 and February 15, 2016. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2016 is as follows:

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Directorships**	Other Committee Memberships***	
					Member	Chairman
A. Non-Executive Directors						
A.1 Promoters Category						
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	3 out of 5	No	5	1	1
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	3 out of 5	No	Nil	Nil	Nil
A.2 Independent Directors						
Mr. Brij Kishore Soni DIN: 00183432	Independent	5 out of 5	No	Nil	Nil	Nil
Dr. Suresh Inderchand Surana DIN: 00009757	Independent	3 out of 5	No	Nil	Nil	Nil
Mr. Jitender Balakrishnan DIN: 00028320	Independent	3 out of 5	No	9	6	2
Ms. Pooja Haldea DIN: 07123158	Independent	4 out of 5	No	Nil	Nil	Nil
A.3 Others – Non-Independent						
Mr. Rakesh Awasthi* DIN: 00252540	Non-Independent (Nominee of IDBI Bank Ltd.)	3 out of 5	Yes	Nil	Nil	Nil
B. Executive Director						
Mr. Pranay Kothari DIN: 00004003	Non-Independent	5 out of 5	No	3	1	Nil

* *Mr. Rakesh Awasthi ceased to be director w.e.f. May 3, 2016 consequent upon withdrawal of nomination by IDBI Bank Ltd.*

** *Only Indian Public Limited Companies are considered.*

*** *For determining the chairmanship/membership of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered.*

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all public companies whether listed or unlisted (Including this listed Company), in which he/she is a director.

d) Details of shares held by the Directors in the Company are as follows:

S. No.	Name of Director	No. of shares held as on March 31, 2016
1.	Mr. Sanjiv Saraf	3,25,138
2.	Mr. Sanjiv Chadha	4,000
3.	Dr. Suresh Inderchand Surana	200

e) Information placed before the Board includes :

The Board is supplied with the necessary information as stipulated in Part A of Schedule II of SEBI (LODR) Regulations, 2015, to the extent applicable.

f) Review of Compliance Report:

The periodical reports submitted by the Internal Auditors and by the concerned department Heads of the Company with regard to compliance of Laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by Audit Committee and the Board of Directors as per Regulation 17 (3) of SEBI (LODR) Regulations, 2015.

Compliance Certificate signed by the Executive Director and Chief Financial Officer is placed before the Board of Directors as specified in Part B of Schedule II of SEBI (LODR) Regulations, 2015.

g) **Code of Conduct:**

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed the compliance of the same. A copy of the Code of Conduct is also posted on the website of the Company viz. www.polyplex.com.

A confirmation from the Executive Director/ Chief Executive Officer affirming Compliance of the Code of Conduct by the members of the Board/ Senior Management forms part of this report.

3. Audit Committee

a) **Composition:**

The Audit Committee comprised of following Non-Executive Directors viz., Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Mr.Rakesh Awasthi and Ms. Pooja Haldea. Except Mr. Rakesh Awasthi all the members of the Audit Committee are Independent.

Mr. Rakesh Awasthi ceased to be the Director and member of the Audit Committee w.e.f. May 3, 2016 consequent upon withdrawal of his nomination by IDBI Bank Ltd.

Mr. Brij Kishore Soni an Independent Director is the Chairman of Audit Committee. All the members of Audit Committee are financially literate within the meaning of Clause 49 of the Listing Agreement/ SEBI (LODR) Regulations, 2015.

The Company Secretary of the Company acts as Secretary of the Audit Committee.

Statutory Auditor and Internal Auditor are invitees to Audit Committee meetings.

b) **Meetings of the Audit Committee :**

During the Financial Year 2015-16, four meetings of Audit Committee were held on May 30, 2015, August 14, 2015, October 31, 2015 and February 15, 2016.

Attendance of the Members at the Audit Committee Meetings was as follows:

Name of Member	Meetings attended
Mr. Brij Kishore Soni	4 out of 4
Mr. Rakesh Awasthi*	3 out of 4
Dr. Suresh Inderchand Surana	3 out of 4
Ms. Pooja Haldea	4 out of 4

* Mr. Rakesh Awasthi ceased to be a member of Audit Committee consequent upon his cessation from the Directorship of Company w.e.f. May 3, 2016.

c) **Powers and Role of the Audit Committee :**

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Companies Act, 2013, Listing Agreement with Stock Exchanges/ SEBI (LODR) Regulations, 2015, include the following:

i. Powers:

(a) To investigate any activity within its terms of reference.

(b) To seek information from any employee.

(c) To obtain outside legal or other professional advice.

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. Role :

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company.

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.

ii. Changes, if any, in accounting policies and practices and reasons for the same.

iii. Major accounting entries involving estimates based on the exercise of judgment by management.

iv. Significant adjustments made in the financial statements arising out of audit findings.

v. Compliance with listing and other legal requirements relating to financial statements.

vi. Disclosure of any Related Party Transactions.

vii. Modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

(f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(h) Approval or any subsequent modification of transactions of the company with related parties.

(i) Scrutiny of inter-corporate loans and investments.

(j) Valuation of undertakings or assets of the company, wherever it is necessary.

(k) Evaluation of internal financial controls and risk management systems.

(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(n) Discussion with internal auditors of any significant findings and follow up there on.

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(r) To review the functioning of the Whistle Blower mechanism.

(s) Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

(t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Review of information by the Audit Committee:

The Audit Committee mandatorily reviews the following information:

i. Management Discussion and Analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;

iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

iv. Internal Audit Reports relating to internal control weaknesses;

v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and

vi. Statement of deviations :

a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations.

b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations.

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Composition:

The Nomination and Remuneration Committee comprises of two Independent Directors and one Promoter Director, all of whom are Non-Executive Directors i.e. Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni and Mr. Sanjiv Saraf. Mr. Jitender Balakrishnan, an Independent Director, is Chairman of the Nomination and Remuneration Committee.

The Company Secretary of the Company acts as Secretary of the Committee.

During the Financial Year 2015-16, two meetings of the Nomination and Remuneration Committee were held on May 30, 2015 and August 7, 2015.

Attendance of the Members at the Nomination and Remuneration Committee Meetings was as follows:

Name of Member	Meetings attended
Mr. Jitender Balakrishnan	2 out of 2
Mr. Brij Kishore Soni	2 out of 2
Mr. Sanjiv Saraf	1 out of 2

b) Terms of reference:

a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) Formulate criteria for evaluation of performance of Independent Directors and the Board and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

d) To carry out evaluation of every Director's performance.

e) To recommend to the Board the appointment and removal of Directors and Senior Management.

f) To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.

g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

h) To devise a policy on Board diversity.

i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

c) Details of Remuneration and other terms of appointment of Directors:

i. Executive Director

Mr. Pranay Kothari :

Following remuneration has been paid/ provided to Mr. Pranay Kothari, Executive Director for the Financial Year 2015-16:

Salary and Allowances	₹ 1,44,73,860
Perquisites	₹ 3,80,848
Total	₹ 1,48,54,708

i. Above remuneration does not include a sum of ₹1,58,67,065/- provided in the Books of Account for the Financial Year 2015-16. Subsequently, Central Government approval regarding payment of total remuneration of ₹2,18,69,633/- was received for the Financial Year 2015-2016. Accordingly, a sum of ₹70,14,925/- has been released and amount of excess provision written back in the current financial year.

ii. Above remunerations does not include a sum of ₹41,08,665/- pertaining to Financial Year 2014-15, released during the Financial Year 2016-17, pursuant to receipt of approval of Central Government vide letter dated April 7, 2016.

Tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2015 and ended on September 6, 2018. Appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party after giving to the other, six calendar months notice in writing or salary in lieu thereof. No payment on account of severance fees has been stipulated.

No performance linked incentive has been paid to Mr. Pranay Kothari during the year.

Executive Director is not liable to retire by rotation.

ii. Non-Executive Directors

Non-Executive Directors of the Company were paid sitting fees @ ₹20,000/- per meeting for attending meetings of the Board or any Committee(s) thereof, in addition to the reimbursement/provision of travelling/ stay/expenses as per rules of the Company. However the sitting fees paid to Directors was increased from ₹20,000/- to ₹50,000/- per meeting of the Board/ Committees in the meeting of the Board of Directors held on August 14, 2015. Further Non-Executive Directors of the Company are not paid any remuneration except Mr. Sanjiv Saraf who receives commission upto 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013.

The details of payment of Sitting Fee to Non-Executive Directors during the year 2015-16 are given below:

S. No.	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf	2,20,000
2.	Mr. Brij Kishore Soni	6,70,000
3.	Mr. Rakesh Awasthi*	2,40,000
4.	Mr. Sanjiv Chadha	1,20,000
5.	Dr. Suresh Inderchand Surana**	3,50,000
6.	Mr. Jitender Balakrishnan	1,80,000
7.	Ms. Pooja Haldea	3,60,000

All Non-Executive Directors except Independent Directors and Nominee Director of IDBI Bank Limited, are liable to retire by rotation.

**Sitting fee paid to nominating institution i.e. IDBI Bank Limited. Further Mr. Rakesh Awasthi ceased to be Director w.e.f. May 3, 2016 consequent upon his withdrawal of nomination by IDBI Bank Ltd.*

*** Amount aggregating to ₹17.43 Lacs was paid to firms in which Dr. Suresh Inderchand Surana is a partner towards professional fee, including service tax and reimbursement of expenses.*

In addition to payment of Sitting Fee, Board of Directors have on the recommendation of the Nomination and Remuneration Committee approved the payment of Commission of ₹28 Lacs for the Financial Year 2015-16 to Mr. Sanjiv Saraf, Chairman and Non Executive Director in terms of Special Resolution passed by the Members in the Annual General Meeting held on September 28, 2015.

The Company has so far not issued any Stock options to any of the Directors. Further, Independent Directors are not entitled to any Stock options.

5. Stakeholders' Relationship Committee

a) Composition:

The Board has constituted Stakeholders' Relationship Committee comprised of Mr. Brij Kishore Soni, Non-Executive Independent Director and Mr. Pranay Kothari, Executive Director. Mr. Brij Kishore Soni is the Chairman of the Committee. This Committee meets as and when required.

The Committee, *inter alia*, looks into matters relating to issue of duplicate/split of old share certificates, non-receipt of annual report and non-receipt of declared dividends and Shareholders'/ Investors' Grievances

Mr. Ashok Kumar Gurnani, Company Secretary is the Compliance Officer and Secretary of the Committee.

b) **Meetings of Stakeholders' Relationship Committee :**
During the Financial Year 2015-16, Two such meetings were held on April 10, 2015 and October 16, 2015. All the meetings were attended by both the directors.

c) **Investor Grievance Redressal:**
Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2015-16 is as follows:

Opening: 3 Received: 2 Resolved: 5 Pending: 0

As on March 31, 2016, no request for registration of transfer of shares/ dematerialization was pending.

d) **Process of transfer of shares**
All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the Listing Agreement/SEBI (LODR) Regulations, 2015.

6. Corporate Social Responsibility (CSR) Committee

a) **Composition:**
In terms of the requirement of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR committee comprises of one Promoter Director and two Independent Directors, all of whom are Non-Executive Directors i.e. Mr. Sanjiv Saraf; Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana. Mr. Sajiv Saraf is the Chairman of the CSR Committee.

The Company Secretary of the Company acts as Secretary of the CSR Committee.

The Role and functions of the CSR Committee are to:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.

(b) Recommend to the Board amount to be spent on various CSR activities in a year.

(c) Recommend to Board pursuing of CSR activities either by Company itself or indirectly through an NGO.

(d) monitor the CSR policy of the Company from time to time.

(e) To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

During the Financial Year 2015-16, one meeting of the CSR Committee was held on February 15, 2016 and the meeting was attended by Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana.

7. Finance Committee

(a) **Composition:**
The Board has constituted a Finance Committee comprising of following Directors viz. Mr. Sanjiv Saraf, Mr. Pranay Kothari, and Mr. Brij Kishore Soni to decide, *inter alia*, financial matters of the Company viz. short term loans, working capital facilities, deployment of surplus funds and other incidental matters.

Mr. Sanjiv Saraf is the Chairman of the Committee.

The Company Secretary of the Company acts as Secretary of the Finance Committee.

(b) **Meetings of the Finance Committee:**
During the Financial Year 2015-16, One meeting of the Finance Committee was held on October 31, 2015.

Attendance of the Members at the Finance Committee Meeting was as follows:

Name of Member	Meetings attended
Mr. Sanjiv Saraf	1 out of 1
Mr. Pranay Kothari	1 out of 1
Mr. Brij Kishore Soni	1 out of 1

8. Risk Management Committee

The Board has voluntarily constituted a Risk Management Committee. The Risk Management Committee comprises of Dr. Suresh Inderchand Surana, Mr. Brij Kishore Soni, Independent Directors, Mr. Pranay Kothari, Executive Director, Mr. Manish Gupta, CFO and Mr. Kapil Gupta, Profit Centre Head of the Company.

The functions of the Risk Management Committee includes formulation of Risk Management Plan and to monitor and review the same and to report to the Board from time to time the risk assessment, minimization and mitigation procedures laid down.

9. Independent Directors, their meetings and Familiarisation Programme

During the Financial Year 2015-16, Company had four Independent Directors on the Board. Subsequently, on May 12, 2016 one more Additional Director in the Independent category was appointed.

All requirements with respect to appointment of Independent Directors and their holding of directorships in other listed entities, as specified in Regulation 25 of SEBI (LODR) Regulations, 2015 are complied with.

As required by provisions of the Companies Act, 2013 and Listing Agreement/ SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on August 11, 2016, without the attendance of non-independent directors and members of the management. This meeting was chaired by Mr. Jitender Balakrishnan and attended by all the Independent Directors.

Independent Directors of the Company in their aforesaid meeting reviewed the performance of non-independent directors and the Board as a whole as also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors.

Performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the director being evaluated. For evaluation of performance inter alia following criteria viz. Knowledge and Skill, Participation at Board/ Committee Meetings, Managing Relationships and Personal Attributes is followed. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The familiarization programme for Independent Directors has been disclosed on website of the Company at www.polyplex.com.

10. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Board of Directors review and monitor the performance of its subsidiary companies by way of:

a) Approving, in principal, their capital expenditure plans, business expansion plans, investment / disinvestment plans;

b) Reviewing their operations vis a vis budgets, cash flows and Balance Sheets;

c) Reviewing all significant/ material transactions and arrangements;

d) Minutes/ materially important decisions.

11. Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also on dealings with related party transactions. This policy is posted on the website of the Company at www.polyplex.com.

All related party transactions are placed before the Audit Committee for its approval/omnibus approval/ review in accordance with the policy on related party transactions.

During the year, the Company has not entered into any 'Material' Related Party Transaction requiring approval of the shareholders.

12. General Meetings:

(i) The details about the last three Annual General Meetings are given below:

AGM	Financial Year	Date of Meeting	Location of the Meeting	Time
30th	2014-15*	28.09.2015	Registered Office at Khatima	11.00 a.m.
29th	2013-14*	29.09.2014	Registered Office at Khatima	11.00 a.m.
28th	2012-13*	30.09.2013	Registered Office at Khatima	11.00 a.m.

* *Chairman of the Audit Committee could not attend the Annual General Meeting.*

During the Financial Year 2015-16, no Extra-Ordinary General Meeting was held or Postal ballot was conducted.

(ii) Special Resolutions passed at the last three Annual General Meetings:

Financial Year/ Date of Annual General Meeting	Subject
2014-15/ September 28, 2015	1. Resolution pursuant to Section 197 of the Companies Act, 2013 for waiver of recovery of excess remuneration of ₹72.94 Lacs paid/ provided to Mr. Pranay Kothari, Executive Director during 2014-15, due to inadequacy/insufficiency of profits. 2. Resolution pursuant to Section 197 and/or other applicable provisions of the Companies Act, 2013 to payment of remuneration to Mr. Pranay Kothari, Executive Director, as earlier approved for the period April 1, 2015 to September 6, 2015. 3. Resolution pursuant to Section 197, 198 & 203 of the Companies Act, 2013 for reappointment and payment of remuneration to Mr. Pranay Kothari, Whole Time Director, for the period September 7, 2015 to September 6, 2018.

Financial Year/ Date of Annual General Meeting	Subject
	4. Resolution pursuant to Section 188 of the Companies Act, 2013 for holding of office of profit and payment of remuneration to Mr. Sanjiv Saraf in Polyplex (Asia) Pte. Ltd., Singapore, wholly owned subsidiary. 5. Resolution pursuant to Section 197 of the Companies Act, 2013 for payment of commission to Mr. Sanjiv Saraf, Non Executive Director not exceeding in the aggregate 1% (One percent) per annum of the net profits of the Company for each of the five Financial Year commencing from April 1, 2015.
2013-14/ September 29, 2014	1. Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 granting authority to Board of Directors to borrow upto ₹1,500 Crores. 2. Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 granting authority Board of Directors to create charge on the properties of the Company in favour of Lenders upto ₹1500 Crores.
2012-13/ September 30, 2013	1. Resolution pursuant to Section 198, 309 and Schedule XIII of Companies Act, 1956 to payment of Remuneration to Mr. Ranjit Singh, Whole time Director designated as Chief Operating Officer for the period April 1, 2012 to October 31, 2012. 2. Resolution pursuant to Section 309(5B) and Schedule XIII of the Companies Act, 1956 for waiver of recovery of excess remuneration of ₹90.31 Lacs paid to Mr. Pranay Kothari, Whole-time Director designated as Executive Director for the period April 1, 2012 to March 31, 2013. 3. Resolution pursuant to Section 198, 309 and 310 of the Companies Act, 1956 for payment of remuneration to Mr. Pranay Kothari, Whole-time Director designated as Executive Director for the remaining tenure of his appointment i.e. from April 1, 2013 to September 6, 2015.

(iii) No Special Resolution is proposed to be passed at the ensuing Annual General Meeting.

(iv) During 2015-16 no resolution was required to be passed by way of postal ballot.

(v) Company had provided to its Members e-voting facility in respect of agenda items placed before the Annual General Meetings held in 2014 and 2015.

13. Disclosures :

(a) During the year, there were no transactions of material nature with the related parties that had potential conflict with the interest of the Company at large.

(b) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

(c) The Company has formulated Whistle Blower policy. Whistle Blower Policy of the Company has been posted on website of the Company at www.polyplex.com. No employee of the Company has been denied access to the Audit Committee to make any representation.

(d) Company has complied with the mandatory requirements of Clause 49 of Listing Agreement with Stock Exchanges/ SEBI (LODR) Regulations, 2015.

(e) The Company has established a comprehensive Enterprise Risk Management (ERM) Policy that includes risk identification, risk assessment, risk mitigation and monitoring on a periodic basis. External and internal risk factors that could potentially affect performance of the Company vis-a-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.

(f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.

(g) Company files quarterly compliance report on Corporate Governance with Stock Exchanges pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015 and copies thereof are placed before the next Board Meeting.

(h) As required by Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.

(i) Company has adopted discretionary requirements as specified in Para E to Schedule II to SEBI (LODR) Regulations, 2015 to the extent to maintenance of Chairperson's office, having separate posts of Chairperson and Chief Executive Officer, moving towards a regime of Financial Statements with unmodified opinion and reporting of Internal Auditor directly to Audit Committee.

14. Company's Website and its Policies with Weblinks:

Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/ Listing Agreements/ SEBI (LODR) Regulations, 2015.These Policies/ Codes are available on the website of the Company and the weblinks of these Policies/Codes are mentioned against their respective names:

a) Corporate Social Responsibility (CSR) Policy:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf

b) Nomination & Remuneration Policy:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLNRCPolicy.pdf

c) Whistle Blower Policy (Policy on vigil mechanism)
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLWhistleBlowerPolicy.pdf

d) Policy on Related Party Transactions:
http://www.nseprimeir.com/z_Polyplex/pdffiles/PCLRelatedPartyTransactionsPolicydf

e) Policy for determining 'Material Subsidiaries':
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.PDF

f) Code of Conduct for Board Members and Senior Management:
http://www.nseprimeir.com/z_Polyplex/pdf-files/Code of Conduct for Board Members and Senior Management.pdf

g) Familiarisation programme for Independent Directors:
http://www.nseprimeir.com/z_Polyplex/pdf-files/Familiarisation_Programme.pdf

h) Code of Conduct for Insider Trading/Code of Practices & Procedures for fair Disclosure of Unpublished Price Sensitive Information:
http://www.nseprimeir.com/z_Polyplex/pdf-files/Code_of_Practices2015.pdf

i) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders:
http://www.nseprimeir.com/z_Polyplex/pdf-files/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING.pdf

j) Policy for preservation and archival of documents:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCL_Policy_for_Preservation_of_Documents.pdf

15. CEO/ CFO Certification

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 30, 2016.

16. Means of Communication

a. Quarterly results/ returns and official news releases are furnished to Stock Exchanges and are also put on the Company's Website www.polyplex.com .

b. The quarterly/ half yearly/ yearly results are generally published in the 'Business Standard' and 'Uttar Ujala, Nainital', within the prescribed time limit.

c. Management Discussion and Analysis forms part of the Annual Report, which is sent on email/ posted on the website to the shareholders of the Company.

Declaration by the CEO pursuant to Para D to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

I hereby confirm that:

The Company has obtained affirmations from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management for the Financial Year 2015-16.

Place : NOIDA
Date : August 11, 2016

Pranay Kothari
Executive Director

General Shareholders Information

I.	**Annual General Meeting:**	
	Date, Time and Venue:	September 29, 2016 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand
II.	**Financial Year:**	April 1, 2015 to March 31, 2016
III.	**Book Closure Date:**	September 24, 2016 to September 29, 2016 (both days inclusive)
IV.	**Dividend Payment Date:**	Within 15 days from declaration by the shareholders in the Annual General Meeting.

V. **Listing on Stock Exchanges:**

Equity Shares of the Company are listed on following Stock Exchanges:

BSE Limited, (BSE)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited, (NSE)

Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai – 400 051

Listing Fees for the Financial Year 2015-16 and 2016-17 has been paid to above Stock Exchanges.

VI. **Scrip Code:**

The Company's equity shares have been allotted following scrip codes/ name:-

BSE Limited (BSE)	524051
National Stock Exchange of India Limited (NSE)	POLYPLEX
Reuters Code	PLYP.BO
NSDL/ CDSL – ISIN	INE633B01018

VII. **Market Price Data:**

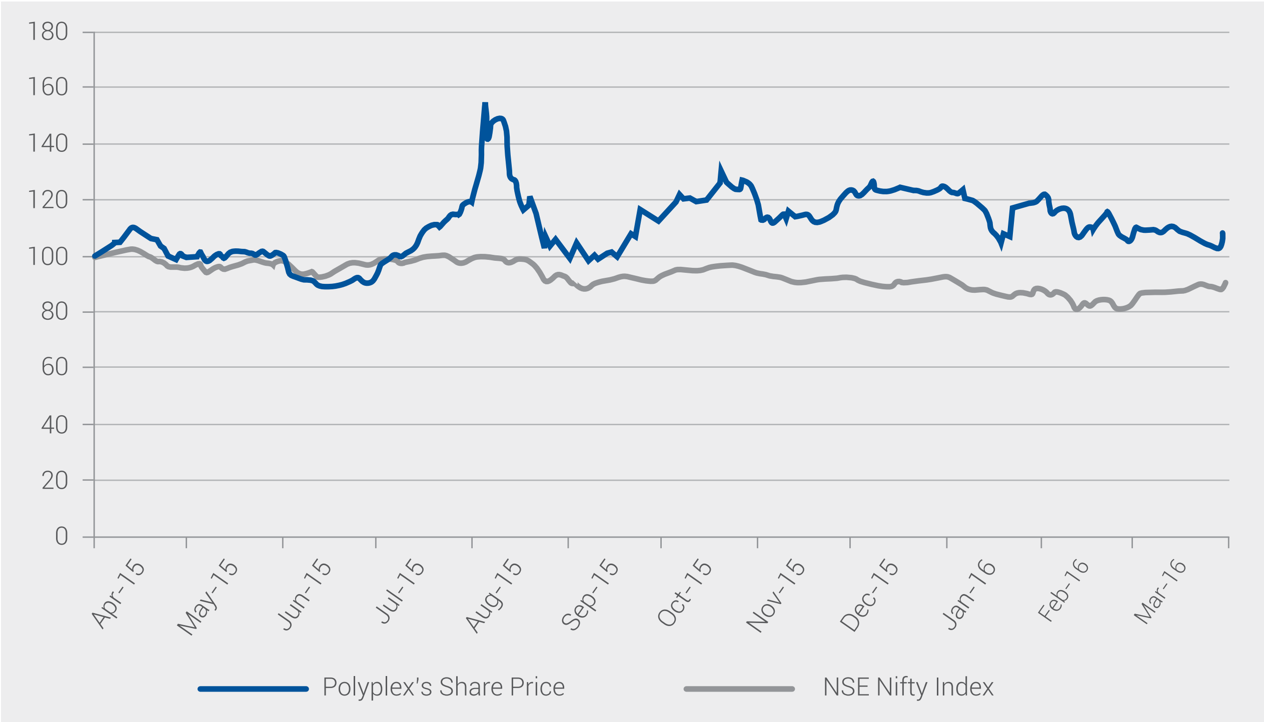
Share prices on BSE and the NSE during 2015-16 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
April 2015	230.00	188.00	2,80,878	229.90	187.65	6,07,691
May 2015	210.00	192.00	53,955	208.75	192.00	5,17,486
June 2015	215.00	177.00	1,06,506	211.00	176.05	2,69,201
July 2015	245.50	184.70	3,05,706	245.00	182.15	12,73,173
August 2015	327.70	188.00	13,73,567	327.00	187.00	33,46,762
September 2015	244.40	193.40	2,12,043	244.60	192.25	3,61,051
October 2015	267.00	226.10	1,93,159	266.80	226.95	5,39,237
November 2015	248.70	220.00	1,42,232	249.10	221.10	2,93,005
December 2015	262.00	241.90	1,29,100	262.40	242.60	2,87,373
January 2016	254.30	210.00	92,302	254.60	209.00	2,16,619
February 2016	257.00	209.40	74,020	259.85	207.05	13,05,312
March 2016	226.20	205.00	64,312	228.50	204.05	2,27,564
Total			**30,27,780**			**9,244,474**

Source: www.bseindia.com and www.nseindia.com

VIII. Stock Performance of the Company in comparison to NSE Nifty

Polyplex's share price movement vs. NSE Nifty Index (2015-16)



IX. Registrars and Share Transfer Agents (RTA):

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500032
Tel: +91-40-67162222
Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
Website: www.karvy.com
(RTA changed w.e.f. May 11, 2015)

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the Listing Agreement/SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a) Distribution of shareholdings as on March 31, 2016:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	12,077	88.52	1,56,67,860	4.90
5001 to 10000	830	6.08	65,90,460	2.06
10001 to 20000	368	2.70	56,64,410	1.77
20001 to 30000	107	0.78	26,82,670	0.84
30001 to 40000	72	0.53	26,43,620	0.83
40001 to 50000	44	0.32	20,49,350	0.64
50001 to 100000	66	0.48	46,71,220	1.46
100001 and above	79	0.58	27,98,76,410	87.50
Total	**13,643**	**100.00**	**31,98,46,000**	**100.00**

b) Categories of shareholders as on March 31, 2016

Category	Shares held (Nos.)	Percentage of Shareholding
1 Promoters		
a) Indian Promoters	28,39,400	8.88
b) Foreign Promoters	1,31,62,134	41.15
Sub Total	**16,001,534**	**50.03**
2 Non- Promoters		
a) Mutual Funds and UTI	24,47,523	7.65
b) Banks, Financial Institutions, and Insurance Companies	17,944	0.06
c) Foreign Institutional Investors (FIIs)	2,49,816	0.78
d) Bodies Corporates	52,28,810	16.35
e) NRIs/OCBs	32,14,786	10.05
f) Indian Public	48,24,187	15.08
Sub-Total	**1,59,83,066**	**49.97**
Grand Total	**3,19,84,600**	**100.00**

Note:

i) Total Foreign shareholding as at March 31, 2016 was 1,66,26,736 shares constituting 51.98%.

ii) 2(d) above includes 61,600 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account held pursuant to Clause 5A(ii) of the Listing Agreement/Part F of Schedule V of SEBI (LODR) Regulations, 2015.

iii) Above shareholding is as per shares held in physical form and details of Beneficial Owners received from NSDL and CDSL.

XII. Dematerialisation of shares and liquidity

Shares of the Company are available for dematerialisation and are being traded in dematerialised form by all investors w.e.f. April 30, 2001. Shareholders of the Company are advised to avail the facility of electronic shares through dematerialisation of physical scrips by opening an account with any of the recognized Depository Participants.

Status of Dematerialisation as on March 31, 2016

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,99,37,815	93.60	7,888
Central Depository Services (India) Limited	15,17,563	4.74	4,071
Total Dematerialised	3,14,55,378	98.34	11,959
Physical	5,29,222	1.66	1,684
Grand Total	**3,19,84,600**	**100.00**	**13,643**

XIII. The Company has not issued GDRs and there are no convertible bonds outstanding as at the year end.

XIV. As required by Clause 5A(ii) of the Listing Agreement/ Regulation 34(4) of SEBI (LODR) Regulations, 2015 the Company has opened a demat account with a Depository Participant in the name of "Polyplex Corporation Limited - Unclaimed Suspense Account" to which all the unclaimed shares have been transferred in terms of the requirements of the said Regulations. Details of shareholders/ shares dematerialized in the said account are as follows:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	355	61,800
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	3	500
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	4	600
Number of Shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	1	400
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	352	61,600

Voting rights in respect of above shares remain frozen till the rightful owner claims the shares.

XV. Commodity price risk or foreign exchange risk and hedging activities:

The details of foreign currency exposure are covered in Para 13 of Corporate Governance Report.

XVI. Plant Locations

The Company's Polyester Chips and Polyester / BOPP Coated Film manufacturing facility are located at:

i. Lohia Head Road, Village Amau, Khatima 262 308, Distt. Udham Singh Nagar, Uttarakhand; and

ii. Plot No.227 MI 228 MI, Banna Khera Road, Village Vikrampur – 262 401, Tehsil Bajpur, Distt. Udham Singh Nagar, Uttarakhand.

XVII. Investor Correspondence:

For any assistance regarding share transfers, transmissions, issue of duplicate share certificate(s), change of address, non-receipt of dividend, issue of duplicate dividend warrants, dematerialisation of shares etc., please contact / write to: -

Shares Department Polyplex Corporation Limited Lohia Head Road, Khatima 262308 Distt. Udham Singh Nagar, Uttarakhand	or	Shares Department, Polyplex Corporation Limited B-37, Sector –1, NOIDA 201301, Gautam Budh Nagar, Uttar Pradesh
Phone : (05943) 250136 Fax : (05943) 250281 Email : investorrelations@polyplex.com		Phone : (0120) 2443716 to 19 Fax : (0120) 2443724

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Polyplex Corporation Limited

We have examined the compliance of regulations of Corporate Governance by Polyplex Corporation Limited ("Company") for the Financial Year ended 31st March 2016, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For LODHA & CO.
Chartered Accountants
Firm Registration No. 301051E

N.K. LODHA
Partner
Membership No. 85155

Place: New Delhi
Date : August 11, 2016

STANDALONE
FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
POLYPLEX CORPORATION LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Polyplex Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, of the State of Affairs of the Company as at 31st March, 2016, and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) As required by section 143(3) (i) of the Companies Act, 2013, and based on the checking of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, our report on the Internal Financial Controls over Financial Reporting is as per Annexure 'B'.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no. 27(B)(i) to the Financial Statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts – Refer Note no.- 27(J)(i), (ii) & (iii) to the financial statements.

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

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N.K. Lodha
Partner
Membership No.085155

Place: New Delhi
Date: May 30, 2016

Annexure "A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Polyplex Corporation Limited for the year ended 31st March 2016

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of Physical Verification of its Fixed assets by which fixed asset have been verified by the management according to the programme of periodical physical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company. Read with footnote 1 & 2 of Note No. 11 of the Standalone Financial Statement.

2. The inventories of the Company (except stock lying with the third parties and in transit for which confirmations have been received / materials received) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

3. The Company has granted unsecured loans to two body

corporates covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company are not prejudicial to the interest of the company.

(b) (i) In case of loan granted to a subsidiary company listed in the register maintained, amount so granted ₹996 Lacs (including ₹75 Lacs during the year) has been fully provided for in the books of accounts and no interest has been charged. Read with Note No.-27(H)(ii).

(ii) In respect of aforesaid loan to another company, repayment of principal and payment of interest has been stipulated, principal is not due for repayment and receipt of interest on the said loan has been fully received with some days delay.

(c) As principal and interest is not overdue for period over 90 days, we are not offering comments with respect to recovery of principal & interest.

4. According to the information, explanations and representations provided by the management and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and security, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the Company has complied with the directive issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable) with regard to deposits accepted from public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

7. (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2016.

(b) According to the records and information & explanations given to us, there are no dues in respect of income tax that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending are given below: -

Name of the statute	Nature of dues	Period (Financial Year)	Amount (₹ in Lacs)	Forum where disputes are pending
Sale Tax Act	Sale Tax	1996-1997	18.40	High Court
		1997-1998	28.55	Deputy Commissioner (Appeal)
		1998-1999	29.05	Deputy Commissioner (Appeal)
		2008-2009	1.28	Tribunal
		2009-2010	2.23	Jt. Commissioner (Appeal)
		2010-2011	1.71	Jt. Commissioner
U.P. Tax on Entry of Goods Act	Entry Tax	2001-2002	0.61	Tribunal
Central Excise Act, 1994	Excise Duty and Penalty	2009-2010	19.91	Additional Commissioner
	Excise Duty and Penalty	2010-2011	9.22	CESTAT
	Excise Duty	2010-2011	1.35	Assistant Commissioner
	Excise Duty	2010-2015	1.42	Assistant Commissioner
The Finance Act,1994	Service Tax and Penalty	2009-2014	12.08	Commissioner (Appeal)

8. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions, banks, government and dues to debenture holders.

9. On the basis of information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.

10. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of the audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/ provided is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act. Read with Note no. 27(T) of the Standalone Financial Statement.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the standalone financial statements as per the applicable Accounting Standards.

14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, we are not offering any comment with respect to compliance of requirement of Section 42 of the Act and utilisation of the money.

15. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with them. Accordingly, we are not offering any comment with respect to compliance of Section 192 of the Act.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N.K. Lodha
Partner
Membership No.085155

Place: New Delhi
Date: May 30, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POLYPLEX CORPORATION LIMITED

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

We have audited the internal financial controls over financial reporting of POLYPLEX CORPORATION LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N.K. Lodha
Partner
Membership No.085155

Place: New Delhi
Date: May 30, 2016

Balance Sheet as at 31st March 2016

(₹ in Lacs)

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,256.32	3,256.32
Reserves and Surplus	3	39,845.34	38,081.81
Non Current Liabilities			
Long Term Borrowings	4	9,232.93	17,929.64
Deferred Tax Liabilities (Net)	5	93.76	618.71
Long Term Provisions	6	163.33	136.11
Current Liabilities			
Short Term Borrowings	7	3,366.98	6,909.53
Trade Payables	8	1,281.15	1,023.03
Other Current Liabilities	9	9,750.11	10,214.68
Short Term Provisions	10	1,111.87	948.02
TOTAL		68,101.79	79,117.85
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	41,589.05	46,158.97
Intangible Assets	11	13.12	15.38
Capital Work-in-Progress		219.34	67.84
Non Current Investments	12	1,951.43	1,951.43
Long Term Loans and Advances	13	2,594.96	1,890.03
Current Assets			
Current Investments	14	-	1,535.00
Inventories	15	8,992.52	9,475.84
Trade Receivables	16	6,860.64	10,379.25
Cash & Cash Equivalents	17	523.04	981.16
Short Term Loans and Advances	18	5,133.66	6,484.07
Other Current Assets	19	224.03	178.88
TOTAL		68,101.79	79,117.85
Significant accounting policies and other explanatory notes are integral part of financial statements	1, 27		

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155

Place: New Delhi
Date: May 30, 2016

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Lacs)

Particulars		Note No.	Year ended 31 March, 2016	Year ended 31 March, 2015
	Revenue from Operations	20	100,116.48	110,694.15
	Less: Excise Duty		5,015.72	5,491.23
I	**Revenue from Operations (Net)**		95,100.76	105,202.92
II	Other Income	21	1,831.51	1,746.63
III	**Total Revenue (I + II)**		**96,932.27**	**106,949.55**
IV	**Expenses**			
	Cost of Materials Consumed	22	64,480.64	73,698.58
	Changes in Inventories	23	346.06	1,529.41
	Employee Benefits Expense	24	6,878.26	4,801.83
	Finance Costs	25	821.07	1,620.42
	Depreciation and Amortisation		6,464.82	7,688.93
	Other Expenses	26	14,449.16	15,326.64
	Total Expenses		**93,440.01**	**104,665.81**
V	**Profit Before Exceptional Items and Tax (III - IV)**		**3,492.26**	**2,283.74**
VI	Exceptional Items (Gain) / Loss (Refer Note No: 27 H(ii))		996.00	-
VII	**Profit Before Tax (V - VI)**		**2,496.26**	**2,283.74**
VIII	Tax Expense			
	Current Tax (Refer Note No: 27 V (i))		720.93	478.68
	MAT Credit		(378.76)	(381.81)
	Deferred Tax		(524.96)	193.05
	Prior Period Adjustment - Tax		(16.13)	-
	Total		**(198.92)**	**289.92**
IX	**Profit for the Period (VII - VIII)**		**2,695.18**	**1,993.82**
X	**Earnings Per Equity Share**			
	Basic (in ₹)		8.43	6.23
	Diluted (in ₹)		8.43	6.23
	Significant accounting policies and other explanatory notes are integral part of financial statements	1, 27		

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155

Place: New Delhi
Date: May 30, 2016

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

Cash Flow Statement for the year ended 31st March 2016

(₹ in Lacs)

	2015-16		2014-15	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		2,496.26		2,283.74
Adjustments For :				
Depreciation	6,464.82		7,688.93	
Provision for Doubtful Debts / Bad Debts Written Off	-		-	
Interest	821.07		1,620.42	
Unrealised Foreign Exchange (Gain) / Loss	(0.45)		41.65	
Excess Provision / Sundry Balances Written Back (Net)	(82.84)		(28.13)	
Loss / (Profit) on Sale of Fixed Assets (Net)	2.34		(7.08)	
Asset Written Off	6.04		3.95	
Profit on Sale of Investments	(29.37)		(22.63)	
Interest Received	(424.41)		(498.14)	
Dividend Received	(1,048.93)	5,708.27	(651.94)	8,147.03
Operating Profit Before Working Capital Changes		8,204.53		10,430.77
Adjustments For :				
Trade and Other Receivables	4,391.22		631.40	
Inventories	483.32		2,978.16	
Trade and Other Payables	1,103.15	5,977.69	205.12	3,814.68
Cash Generated From Operations		14,182.22		14,245.45
Taxes Paid		(802.11)		(432.44)
Cash Flow Before Exceptional Items		13,380.11		13,813.01
Exceptional Items		996.00		-
Net Cash From Operating Activities		14,376.11		13,813.01
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Incl Capital Advances)	(2,782.08)		(4,310.94)	
Sale of Fixed Assets	41.76		47.90	
Inter Corporate Deposits / Loans & Advances to Related Party	675.00		(146.00)	
Purchase of Short Term Investments	(88,780.00)		(63,625.00)	
Sale/ Redemption of Long Term Investments	-		2.50	
Sale of Short Term Investments	90,344.37		62,632.63	
Interest / Dividend Received	1,401.84		1,147.85	
Net Cash Used in Investing Activities		900.89		(4,251.06)

Cash Flow Statement for the year ended 31st March 2016

(₹ in Lacs)

	2015-16		2014-15	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds From Long Term Borrowings	(10,471.05)		(6,332.09)	
Net Proceeds From Short Term Borrowings	(3,591.47)		(453.40)	
Interest Paid	(870.79)		(1,673.83)	
Dividends Paid	(801.81)		(638.92)	
Tax on Distributed Profits	-		-	
Net Cash Used In Financing Activities		**(15,735.12)**		**(9,098.24)**
Net Increase in Cash And Cash Equivalents		**(458.12)**		**463.71**
Cash and Cash Equivalents at the beginning of the year	860.35		399.12	
Other Bank Balances at the beginning of the year	120.81		118.33	
Total Cash And Bank Balances at the beginning of the year		**981.16**		**517.45**
Cash and Cash Equivalents at the end of the year	406.52		860.35	
Other Bank Balances at the end of the year	116.52		120.81	
Total Cash and Bank Balances at the end of the year		**523.04**		**981.16**

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date attached

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155
Place: New Delhi
Date: May 30, 2016

For and on behalf of the Board of Directors

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

Notes to Financial Statements for the year ended 31st March 2016

Note:1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. Insurance/Other Claims are recognised only when it is reasonably certain that the ultimate collection will be made. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Revenue Recognition

I. Revenue from the sale of goods is recognized at the time of transfer of substantial risks and reward of ownership to the buyers under the term of contract, usually on the delivery of the goods.

II. Revenue is recognized based on the nature of the activity to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured with the reasonable certainty of its recovery.

III. The revenue in respect of Export benefits are recognized on post export basis at the rate at which the entitlement accrues and is included in the turnover.

Fixed Assets/Capital work in progress

I. Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. All realized and unrealized gains and losses on foreign exchange contracts including rollover premium which are attributable to fixed assets are capitalized.

II. Expenditure during construction / erection period is included under capital work in progress and are allocated to the respective fixed assets on completion of construction / erection.

Intangible Assets

Intangible Assets are being recognised if the future economic benefits attributable to the assets are expected to flow to the Company and the cost of the asset can be measured reliably.

Borrowing Costs

Borrowing costs attributable to acquisition / construction of qualifying assets are capitalised with the respective assets, till the date of commercial use of the assets and other borrowing costs are charged to the Profit and Loss Account.

Investments

Long-term investments are stated at cost less provision for permanent diminution in the value of such investments. Current investments are stated at lower of cost and net realisable value.

Depreciation / Amortisation

Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) as per life prescribed in Schedule II to the Companies Act, 2013 except for Plant and Machinery running on continuous process basis, where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represent the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) at the life prescribed in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the period of lease. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.

Intangible assets are amortised over the period of its useful life on Written Down Value Method (WDV) basis.

Foreign Currency Transactions

Foreign currency transactions are accounted at exchange rate on the date of transaction.

Monetary assets and liabilities relating to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to Profit and Loss Account except foreign exchange gain/loss on reporting of long-term foreign currency monetary items for depreciable assets are capitalized

Gains / losses on foreign exchange derivative contracts like structured options, forward and swap to hedge interest rate risk and foreign currency risk are recognised in the Profit and Loss Account except those which are attributable to fixed assets which are treated (including gain / loss on rollover charges) cost of the assets.

Notes to Financial Statements for the year ended 31st March 2016

Note:1 SIGNIFICANT ACCOUNTING POLICIES

Investment in equity shares of foreign subsidiary companies are stated at the exchange rate as on transaction date. Unrealised Gain/ Loss relating to translation of net investment in form of monetary items in non integral operations are recognised in the Foreign Currency Translation Reserves.

Expenditure incurred on Research & Development

Revenue expenditure on Research & Development is charged to Statement of Profit & Loss and Capital expenditure is added to fixed assets.

Inventories

Inventories are valued as follows: -

(i) Raw Materials and Stores & Spares: At lower of cost and net realisable value.

(ii) Stock in process and finished goods: At lower of cost and net realisable value.

Cost for the purpose of valuation has been determined as under: -

(i) Raw material and Stores & Spares are valued at weighted average cost.

(ii) Finished Goods and Stock in Process are valued at cost of conversion and other cost incurred in bringing the inventories to present location and condition.

Employee Benefits:

(i) Defined-contribution plans:

Contributions to the Employees' Regional Provident Fund and Superannuation Fund are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(ii) Defined-benefit plans:

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation at the balance sheet date. Actuarial Gains and Losses are recognised immediately in the Profit & Loss Statement.

Gratuity is funded through a trust for which a policy with Life Insurance Corporation of India has been taken.

(iii) Short term employee benefits:

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Government Grants

Grants relating to Fixed Assets are shown as deduction from the gross value of the Fixed Assets and those of the nature of Project Capital subsidy are credited to Capital Reserve. Other Government grants are credited to Profit and loss account or deducted from the related expenses.

Provision for Tax

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions as per Income Tax Act 1961. Deferred tax is recognised using the enacted / subsequently enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of virtual/reasonable certainty of realisation in respect of deferred tax assets, on all timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Leases

Assets acquired under finance lease, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and are disclosed in the Fixed Assets. Lease payments are apportioned between the finance charges and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Lease arrangement where the risks and rewards are incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss.

Impairment

The carrying amount of the Company's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment of asset.

Note:1 SIGNIFICANT ACCOUNTING POLICIES

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of Net selling price and value in use.

Post impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life of asset. Reversal of Impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised from the assets no longer exists or have deceased.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made/ recognised, based on the management estimate required to settle the obligation at balance sheet date, when the Company has a present obligation as a result of past event and it is possible that an outflow embodying economic benefit will be required to settle the obligation. Contingent liabilities, if material, are disclosed by way of notes. Contingent assets are not recognised or disclosed in the Financial Statement.

Note:2 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹10 each	3,400.00	3,400.00
Issued and Subscribed		
3,31,80,300 (Previous Year - 3,31,80,300) Equity Shares of ₹10 each	3,318.03	3,318.03
Issued, Subscribed and Fully Paid-up		
3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹10 each	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86
TOTAL	3,256.32	3,256.32

RECONCILIATION OF NUMBER OF SHARES

Particulars	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	31,984,600	31,984,600
Additions during the year	-	-
Shares outstanding as at the end of the year	31,984,600	31,984,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2016 No. of shares	As at 31st March, 2015 No. of shares
Mahalaxmi Trading & Investment Co Limited	7,622,390	7,622,390
Secure Investments Limited	5,535,744	5,535,744
K2 Family Trust through its Trustee IL & FS Trust Company Limited	4,319,749	4,165,678

AGGREGATE NUMBER OF EQUITY SHARES ALLOTED AS FULLY PAID UP BY WAY OF BONUS SHARES

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
-	-	-	-	-	15,992,300

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

Notes to Financial Statements for the year ended 31st March 2016

Note: 3 RESERVES AND SURPLUS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve		
Central Investments Subsidy	85.00	85.00
State Investments Subsidy	30.00	30.00
Share Warrants Forfeited	250.80	250.80
Sub Total (a)	365.80	365.80
Securities Premium Reserve		
As per last Balance Sheet	2,348.20	2,348.20
Sub Total (b)	2,348.20	2,348.20
General Reserve		
As per last Balance Sheet	5,485.58	5,286.20
Transferred from Statement of Profit & Loss	269.52	199.38
Sub Total (c)	5,755.10	5,485.58
Surplus In Statement of Profit & Loss		
Balance Brought Forward	29,882.23	28,806.59
Add:		
Profit as per Statement of Profit and Loss	2,695.18	1,993.82
Corporate Dividend Tax - Proposed Dividend - Written Back	27.89	108.72
Less:		
Transferred to General Reserve	269.52	199.38
Proposed Dividend	959.54	799.62
Corporate Dividend Tax - Proposed Dividend	-	27.90
Net Surplus as per Statement of Profit & Loss Sub Total (d)	31,376.24	29,882.23
TOTAL (a + b + c + d)	39,845.34	38,081.81

Note: 4 LONG TERM BORROWINGS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Term Loans From Banks		
Rupee Term Loan	-	4,687.50
Foreign Currency Term Loan	14,566.44	20,683.85
Sub Total (a)	14,566.44	25,371.35
Less: Current Portion		
Rupee Term Loan	-	1,250.00
Foreign Currency Term Loan	5,333.51	6,191.71
Sub Total (b)	5,333.51	7,441.71
TOTAL (a - b)	9,232.93	17,929.64

Loans are secured as under:

The Foreign Currency Term Loan of ₹ 14,566.44 Lacs (Previous year: ₹ 20,683.85 Lacs) and Rupee Term Loan of ₹ Nil (Previous year: ₹ 4,687.50 Lacs) are secured on a *pari passu* basis by hypothecation / equitable mortgage in respect of Company's movable / immovable Fixed Assets at Khatima and Bazpur, both present and future.

Loans are repayable as under:

Loan Amount (₹ in Lacs)	No of Equal Installments	Frequency	Period	
			From	To
6,586.80	5	Semi Annual	2016-17	2018-19
3,149.66	9	Quarterly	2016-17	2018-19
4,829.98	11 @	Quarterly	2016-17	2018-19

@ In FY 2016-17: ₹ 325.00 Lacs quarterly, FY 2017-18: ₹425.00 Lacs quarterly, FY 2018-19: ₹ 500.00 Lacs for first two quarter & Balance ₹ 829.98 Lacs in 3rd quarter.

Notes to Financial Statements for the year ended 31st March 2016

Note: 5 DEFERRED TAX LIABILITIES (NET)		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax Asset		
Disallowance as per Income Tax Act	(465.00)	(97.48)
Deferred Tax Liability		
Disallowance on account of Depreciation	558.76	716.19
TOTAL	93.76	618.71

Note: 6 LONG TERM PROVISIONS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Retirement Benefits	163.33	136.11
TOTAL	163.33	136.11

Note: 7 SHORT TERM BORROWINGS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans *		
Working Capital Demand Loans from Banks	2,730.28	5,083.15
Bank CC Account	448.40	64.17
Buyer's Credit	188.30	1,762.21
TOTAL	3,366.98	6,909.53

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to ₹ 3,366.98 Lacs (Previous Year ₹ 6,909.53 Lacs) are secured / to be secured by way of hypothecation of inventories, book debts and other current assets both present and future, and second charge on company's movable & immovable Fixed Assets both present and future at Khatima and Bazpur

Note: 8 TRADE PAYABLES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Total Outstanding due to		
Micro and small enterprises (Refer Note No: 27 E)	-	-
Other vendors other than micro and small enterprises (Refer Note No: 27 E)	1,281.15	1,023.03
TOTAL	1,281.15	1,023.03

Note: 9 OTHER CURRENT LIABILITIES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturity of Long Term Debt	5,333.51	7,441.71
Interest accrued but not due on borrowings	46.44	96.16
Unclaimed Dividend	114.31	116.50
Security Deposits (including related party) (Refer Note No: 27 S)	113.84	141.36
Statutory Liabilities	312.68	234.81
Advance from Customers (including related party)	939.18	869.35
Creditors for Capital Expenditure	13.18	11.62
Other liabilities	2,876.97	1,303.17
TOTAL	9,750.11	10,214.68

Notes to Financial Statements for the year ended 31st March 2016

Note: 10 SHORT TERM PROVISIONS (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Wealth Tax	-	1.77
Provision for Retirement Benefits	152.33	118.73
Proposed Dividend	959.54	799.62
Corporate Dividend Tax	-	27.90
TOTAL	1,111.87	948.02

Note: 11 FIXED ASSETS (₹ in Lacs)

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	As At 01.04.2015	Additions during the year	Sale / adjustments	As at 31.3.2016	As at 01.04.2015	For the year	Sale / adjustments	As At 31.03.2016	As At 31.03.2016	As at 31.3.2015
Tangible Assets										
Freehold Land	1,693.09	-	-	1,693.09	-	-	-	-	1,693.09	1,693.09
Leasehold Land	493.33	-	-	493.33	108.09	5.93	-	114.02	379.31	385.24
Buildings	13,704.55	164.49	-	13,869.04	4,488.30	668.55	-	5,156.85	8,712.19	9,216.25
Plant & Machinery	76,657.62	1,656.40	58.38	78,255.64	42,986.89	5,386.66	19.37	48,354.18	29,901.46	33,670.73
Electrical Installations	2,107.91	2.01	14.43	2,095.49	1,433.05	211.04	8.75	1,635.34	460.15	674.86
Furniture & Fixtures	458.81	7.51	9.82	456.50	356.77	26.88	7.86	375.79	80.71	102.04
Office Equipments	1,137.92	105.56	57.44	1,186.04	836.63	131.17	53.97	913.83	272.21	301.29
Vehicles	270.49	6.82	0.11	277.20	155.02	32.34	0.09	187.27	89.93	115.47
Total	**96,523.72**	**1,942.79**	**140.18**	**98,326.33**	**50,364.75**	**6,462.57**	**90.04**	**56,737.28**	**41,589.05**	**46,158.97**
Previous Year	92,728.13	4,580.92	785.33	96,523.72	43,421.78	7,683.53	740.56	50,364.75	46,158.97	-
Intangible Assets										
Computer Software	140.50	-	-	140.50	125.12	2.26	-	127.38	13.12	15.38
Total	**140.50**	**-**	**-**	**140.50**	**125.12**	**2.26**	**-**	**127.38**	**13.12**	**15.38**
Previous Year	131.84	8.66	-	140.50	119.72	5.40	-	125.12	15.38	-
Grand Total - Current Year	**96,664.22**	**1,942.79**	**140.18**	**98,466.83**	**50,489.87**	**6,464.83**	**90.04**	**56,864.66**	**41,602.17**	**46,174.35**
Grand Total - Previous Year	92,859.97	4,589.58	785.33	96,664.22	43,541.50	7,688.93	740.56	50,489.87	46,174.35	-

Notes :

1. Freehold Land costing ₹ 8.79 Lacs (Previous Year ₹ 8.79 Lacs) is under Power of Attorney.
2. Additions to Freehold Land during the Previous year 2014-15 amounting to ₹ 28.69 Lacs represents payment made for 0.316 hectare of land acquired pending transfer to concerned authorities in exchange.
3. Addition to Plant & Machinery and Building includes Loss of ₹ 1,124.61 Lacs (Previous Year: Gain of ₹ 1,034.87 Lacs) on account of Foreign Exchange Fluctuation / Derivatives (refer Note No. 26 J (iii)) (Unamortized Fluctuation as on March 31, 2016: ₹ 3,031.45 Lacs).
4. Addition to Plant & Machinery and Building includes ₹ Nil (Previous Year: ₹ 235.03 Lacs) on account of Interest on Loans.
5. Specialized software under Intangible assets is amortised over useful life i.e. over the period of 5 years.

Notes to Financial Statements for the year ended 31st March 2016

Note: 12 NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
(At Cost less Provision)				
Long Term Investments				
(Other Than Trade)				
Unquoted - Equity / Ordinary Shares				
(Fully Paid up unless otherwise stated)				
Investment in Subsidiary Companies				
Polyplex (Asia) Pte Ltd (common stock, no par value)	100,000	463.83	100,000	463.83
Sub Total (a)		463.83		463.83
Quoted - Equity / Ordinary Shares				
(Fully Paid up unless otherwise stated)				
Investment in Subsidiary Companies				
Polyplex (Thailand) Public Company Limited * (Face Value: Baht 1)	132,000,000	1,487.60	132,000,000	1,487.60
Sub Total (b)		1,487.60		1,487.60
TOTAL (a + b)		1,951.43		1,951.43
Note:				
Aggregate of Unquoted Investments (At Cost less Provisions)		463.83		463.83
Aggregate of Quoted Investments (At Book Value)		1,487.60		1,487.60
(At Market Value)		16,112.38		24,517.10

Note: 13 LONG TERM LOANS AND ADVANCES *(₹ in Lacs)*

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital advances to vendors	354.77	21.28
Security Deposits	654.40	661.72
MAT Credit Entitlement	1,585.79	1,207.03
TOTAL	2,594.96	1,890.03

Note: 14 CURRENT INVESTMENTS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of units	(₹ in Lacs)	No. of units	(₹ in Lacs)
(Other than Trade)				
(Quoted)				
Mutual Funds				
Pramerica Liquid Fund - Growth Option	-	-	102,826	1,535.00
TOTAL		-		1,535.00
Aggregate of Quoted Investments (At Book Value)		-		1,535.00
(At Market Value)		-		1,536.10

Note: 15 INVENTORIES *(₹ in Lacs)*

Particulars	As at 31st March, 2016	As at 31st March, 2015
(as valued and certified by the Management)		
(at lower of cost or net realisable value)		
Raw Materials (incl stock in transit of ₹ 753.15 Lacs, Previous year: ₹ 661.71 Lacs)	4,483.15	4,716.52
Stock in Process	720.90	1,153.59
Finished Goods (incl stock in transit of ₹ 747.43 Lacs, Previous year: ₹ 1,018.64 Lacs)	2,332.35	2,244.22
Stores & Spares	1,456.12	1,361.51
TOTAL	8,992.52	9,475.84

Notes to Financial Statements for the year ended 31st March 2016

Note: 16 TRADE RECEIVABLES (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	10.54	15.62
Considered doubtful (Refer Note No: 27 U)	31.95	31.95
Less: Provision for Doubtful Debts	(31.95)	(31.95)
Other Debts		
Considered good	6,850.10	10,363.63
TOTAL	6,860.64	10,379.25

Note: 17 CASH AND CASH EQUIVALENTS (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents		
Cash on hand	10.13	8.73
Cheques in hand	83.16	-
Bank balance with scheduled banks		
Current Accounts	313.23	799.62
Fixed Deposits with origin less than three months	-	52.00
Sub Total (a)	406.52	860.35
Earmarked Balances with Banks		
Unclaimed Dividend Accounts	114.31	116.50
Sub Total (b)	114.31	116.50
Other Bank Balances		
Fixed Deposits (Lien with Banks)	2.21	4.31
Sub Total (c)	2.21	4.31
TOTAL (a + b + c)	523.04	981.16

Note: 18 SHORT TERM LOANS AND ADVANCES (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Related Party	2,496.25	2,671.25
Advances to Vendors and Others	1,119.89	1,679.50
Export Benefit Receivables	421.71	346.40
Prepaid Expenses	193.24	230.82
Intercorporate Deposits	-	500.00
Deposits with Government Authorities & Others	39.26	51.24
Advance Tax (Net of Provisions)	438.50	341.19
Balance with Customs & Excise	424.81	663.67
TOTAL	5,133.66	6,484.07

Note: 19 OTHER CURRENT ASSETS (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Discarded Plant & Machinery Held for sale	33.72	33.41
Other Receivables (including related party) (Refer Note No: 27 S)	190.31	145.47
TOTAL	224.03	178.88

Notes to Financial Statements for the year ended 31st March 2016

Note: 20 REVENUE FROM OPERATIONS (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales		
Plastic Film	93,995.25	97,275.29
Resins	4,592.83	11,945.48
Others	1,147.76	1,274.80
Sub Total (a)	99,735.84	110,495.57
Other Operating Income		
Liabilities Written Back	82.84	28.13
Insurance Claims Received	297.80	170.45
Sub Total (b)	380.64	198.58
TOTAL (a + b)	100,116.48	110,694.15

Note: 21 OTHER INCOME (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Rental Income	250.88	315.94
Profit on Sale of Current Investments	29.37	22.63
Dividend Income	1,048.93	651.94
Foreign Exchange Fluctuation (Net)	62.02	153.90
Interest Income	424.41	498.14
Other Income / Claims	15.90	104.08
TOTAL	1,831.51	1,746.63

Note: 22 COST OF MATERIALS CONSUMED (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Raw Material	61,812.88	71,426.98
Packing Material	2,667.76	2,271.60
TOTAL	64,480.64	73,698.58

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Particulars of Material Consumed		
Petrochemicals	58,273.26	67,227.89
(PTA, MEG, Polypropylene)		
Packing Material	2,667.76	2,271.60
Others Raw Material	3,539.62	4,199.09
TOTAL	64,480.64	73,698.58
Value & percentage of Imported and Indigenous		
Material consumed		
Imported (Value)	2,648.62	5,245.02
Imported (%)	4.11	7.12
Domestic (Value)	61,832.02	68,453.56
Domestic (%)	95.89	92.88
TOTAL (value)	64,480.64	73,698.58
TOTAL (%)	100.00	100.00

Notes to Financial Statements for the year ended 31st March 2016

Note: 23 CHANGES IN INVENTORIES (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Stock		
Finished Goods	2,244.22	3,052.89
Stock in Process - Others / Rolls	360.01	1,130.36
Stock in Process - Chips	793.58	781.80
	3,397.81	4,965.05
Closing Stocks		
Finished Goods	2,332.35	2,244.22
Stock in Process - Others / Rolls	259.21	360.01
Stock in Process - Chips	461.69	793.58
	3,053.25	3,397.81
Add : Increase / (Decrease) in Excise Duty on Stocks	1.50	(37.83)
Net Changes in Inventories	346.06	1,529.41

Note: 24 EMPLOYEE BENEFITS EXPENSE (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Bonus etc	5,890.84	4,035.52
Contribution to Provident and other Funds	491.24	415.04
Staff Welfare Expenses	496.18	351.27
TOTAL	6,878.26	4,801.83

Note: 25 FINANCE COSTS (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Expense	644.99	1,333.74
Other Borrowing Cost	176.08	286.68
TOTAL	821.07	1,620.42

Note: 26 OTHER EXPENSES (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Manufacturing Expenses		
Job Work Charges	2.02	-
Stores and Spares Consumed	1,569.19	1,741.76
Power and Fuel	5,755.13	5,824.86
Repairs and Maintenance		
Building	128.40	153.63
Plant and Machinery	188.31	217.12
Sub Total (a)	7,643.05	7,937.37

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Value & percentage of imported and indigeneous		
Stores & spares consumed		
Imported (Value)	520.65	537.54
Imported (%)	33.18	30.86
Domestic (Value)	1,048.54	1,204.22
Domestic (%)	66.82	69.14
Total (value)	1,569.19	1,741.76
Total (%)	100.00	100.00

Notes to Financial Statements for the year ended 31st March 2016

Note: 26 OTHER EXPENSES *(contd...)*		*(₹ in Lacs)*
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Administrative Expenses		
Rent	141.51	187.56
Insurance	254.94	340.26
Directors' Commission	28.00	25.00
Directors' Sitting Fee	21.67	11.00
Other Administrative Expenses	2,454.74	2,689.20
Sub Total (b)	2,900.86	3,253.02
Selling expenses		
Freight	3,331.03	3,587.68
Other Selling Expenses	482.05	484.78
Sub Total (c)	3,813.08	4,072.46
Other Expenses		
Asset Written Off	6.04	3.95
Loss on Sale of Fixed Assets (Net)	2.34	56.55
Donation	8.25	1.10
CSR Expenditure	75.54	2.19
Sub Total (d)	92.17	63.79
TOTAL (a + b + c + d)	14,449.16	15,326.64

Note: 27 OTHER EXPLANATORY NOTES

A. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 354.77 Lacs (Previous Year: ₹ 21.28 Lacs)) ₹ 1,640.33 Lacs. (Previous Year: ₹ 130.36 Lacs).

B. Contingent Liabilities not provided for and other commitments, in respect of:

i. Disputed matters under litigation:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	93.76	103.36
Excise Duty & Customs Duty	41.14	29.14
Service Tax	12.55	-
Income Tax	727.31	382.46
Others	27.93	25.36

ii. Bills discounted with banks ₹ 422.12 Lacs (Previous Year: ₹ Nil).

iii. Custom duty saved amounting to ₹ 706.23 Lacs (Previous Year: ₹ 2,639.24 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

iv. Guarantees given to the banks and others ₹ 678.61 Lacs (Previous Year: ₹ 790.88 Lacs), including ₹ Nil (Previous Year: ₹ 2.00 Lacs) on behalf of other bodies corporate.

C. Export incentives amounting to ₹ 1,727.65 Lacs (Previous Year: ₹ 1,625.71 Lacs) are accounted for on accrual basis and have been credited to Raw Materials Consumption Account.

D. The revenue expenditure of ₹ 441.39 Lacs (Previous Year: ₹ 256.28 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ 0.79 Lacs) on Research & Development are charged to the respective heads of account.

Notes to Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

E. i. As required by Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

(₹ in Lacs)

Sr. No	Particulars	2015 - 16	2014 - 15
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

ii. Balances of certain debtors, creditors, other liabilities, loans and advances are in the process of confirmation and / or reconciliation.

F. Capital work in progress includes equipments not yet installed, construction / erection material, construction / erection work in progress, machinery at site and / or in transit, advance to suppliers and other pre-operative expenses pending allocation / capitalization. Pre-operative expenses pending allocation / capitalization are: *(₹ in Lacs)*

Particulars	As At March 31, 2016	As At March 31, 2015
Pre-operative expenses brought forward	-	599.72
Raw Material Consumed	-	4.58
Power & Fuel	-	2.23
Salary & Wages	-	20.26
Insurance	-	3.88
Interest on Term Loan	-	42.30
Foreign Exchange Fluctuation (Net) (Refer Note: 26 J (III))	-	38.20
Miscellaneous & Other Expenses	6.91	5.38
Total	**6.91**	**716.55**
Less : Scrap Sales	-	0.50
	6.91	**716.05**
Less : Allocated and Capitalised during the year	-	716.05
Balance Pending Allocation Transfer to Balance Sheet	**6.91**	**-**

G. **(i) Trade Receivables, Loans & Advances and Other Current Liabilities include the following:** *(₹ in Lacs)*

Particulars	Balance as at March 31, 2016	Maximum Outstanding Current Year	Balance as at March 31, 2015	Maximum Outstanding Previous Year
A. Subsidiaries / Step down subsidiaries				
Loans & Advances against reimbursement of expenses				
Polyplex (Thailand) Public Company Ltd.	-	2.77	-	16.46
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	-	3.81	-	11.94
Polyplex Resins Sanayi Ve Ticaret A.S.	-	-	-	2.76
Polyplex (Asia) Pte. Ltd.	-	-	-	55.79
Polyplex USA LLC	-	-	-	-
EcoBlue Ltd.	-	1.51	-	0.58
Receivable / (Payable) against sale / purchase of material				
Polyplex Trading (Shenzhen) Co. Ltd.	42.31	137.13	75.25	114.08
Polyplex Europa Polyester Film Sanayi Ticaret A.S.	44.44	629.47	-	914.47
Polyplex (Thailand) Public Company Ltd.	237.62	478.66	-	341.87
Polyplex USA LLC	1,227.76	3,818.86	3,333.31	3,333.31
Polyplex Europa B V	16.12	620.50	493.99	471.45
EcoBlue Ltd.	0.40	15.54	-	28.79

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

G. (i) Trade Receivables, Loans & Advances and Other Current Liabilities include the following: *(contd...)* *(₹ in Lacs)*

Particulars	Balance as at March 31, 2016	Maximum Outstanding Current Year	Balance as at March 31, 2015	Maximum Outstanding Previous Year
B. Others				
Interest free Loans to Employees	169.44	202.26	119.47	148.11

(ii) Details of Loan given covered under Section 186(4) of the Companies Act, 2013 :

Name of the Company	₹ In Lacs	Purpose
Peninsula Beverages and Foods Company Private Limited	75.00	Business Operations

H. i. Disclosure pursuant to regulation 34(3) & 53(F) of SEBI (LODR) Regulations, 2015 *(₹ in Lacs)*

Particulars	Balance as at March 31, 2016	Maximum Outstanding Current Year	Balance as at March 31, 2015	Maximum Outstanding Previous Year
Loans Given				
Subsidiaries / Step down subsidiaries				
Peninsula Beverages and Foods Company Private Limited	996.00	996.00	921.00	921.00

ii. Exceptional Item for the year ended March 2016 represents provision of ₹ 996 Lacs towards outstanding balance of loan given to Peninsula Beverages & Foods Company Pvt Ltd (Wholly owned Step Down Subsidiary Company) whose Net worth has been fully eroded.

iii. Advances recoverable in cash or in kind under Loans & Advances (Note 26 G) include Nil (Previous Year: Nil) due from the Officer / Director. Maximum amount due during the Year ₹ 7.15 Lacs (Previous Year: ₹ 44.22 Lacs).

I. Company has entered into operating lease agreement for a premise. Lease is non- cancellable for a period of six years and renewable thereafter on mutually agreed terms. *(₹ in Lacs)*

Particulars	Current Year	Previous Year
Total lease payment during the year (Recognized in Statement of Profit & Loss)	-	20.10
Minimum Lease Payments		
- Not later than one year	-	-
- Later than one year but not later than five year	-	-
- Later than five years	-	-

J. i. The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (₹ in Lacs)	Amount (Fx)	Amount (₹ in Lacs)
Loans - Long Term	USD	14,449,973	9,586.53	21,246,981	13,300.78
	EUR	6,630,551	4,979.91	9,282,771	6,267.76
	JPY	-	-	210,000,000	1,115.31
Loans - Short Term	USD	3,988,793	2,646.28	8,599,467	5,383.34
	EUR	63,000	47.32	2,165,299	1,462.02
Debtors	USD	3,823,162	2,535.63	5,738,920	3,591.46
	EUR	480,496	360.78	800,356	540.24
Sundry Creditors	USD	195,804	129.90	194,623	121.84
	EUR	115,471	86.73	37,281	25.17
	JPY	75,000	0.45	40,000	0.21
Other Liabilities	USD	74,846	49.66	92,296	57.78
	EUR	666	0.50	-	-

Notes to Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

ii. The Foreign Currency Exposure that are hedged by a derivative instrument or otherwise are as follows:

Particulars	Current Year			Previous Year		
	Contract Sell/Buy	Currency	Amount (Fx)	Contract Sell/ Buy	Currency	Amount (Fx)
Forward Contracts	USD / INR	USD	1,000,000	USD / INR	USD	3,250,000
Forward Contracts	EURO / INR	EUR	689,422	EURO / INR	EURO	602,644
Forward Contracts	INR / USD	USD	339,107	INR / USD	USD	-
SWAP Deal	USD / JPY	USD	-	USD/JPY	USD	2,000,000

iii. The Company took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of Fixed Assets. During the year, loss of ₹ Nil (Previous Year: ₹ 139.35) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of ₹ Nil (Previous Year: loss (net) of ₹ 209.32 Lacs) on mark to market on outstanding derivatives as on March 31, 2016 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the Fixed Assets.

K. Payments to Auditors: *(₹ in Lacs)*

Particulars	Current Year	Previous Year
Audit Fee *	18.02	16.08
Tax Audit fee *	1.15	1.12
Certification & Other fees *	14.45	8.02
Out of Pocket Expenses	0.91	0.83
TOTAL	34.53	26.05

* includes Service Tax

L. Expenditure in Foreign Currency: *(₹ in Lacs)*

Particulars	Current Year	Previous Year
Consultation Fees	13.21	36.44
Interest	536.62	568.57
Finance Charges	84.19	247.80
Brokerage & Commission	114.11	156.14
Others	176.33	218.49
TOTAL	924.46	1,227.44

M. Earnings in Foreign Currency: *(₹ in Lacs)*

Particulars	Current Year	Previous Year
FOB Value of Exports (Including Deemed Exports of Rs Nil, Previous Year ₹ 139.59 Lacs)	24,340.74	23,349.24
Dividend (Gross) from Subsidiary Companies	1,048.93	651.94
TOTAL	25,389.67	24,001.18

N. Dividend remitted in Foreign Currency:

Particulars	Current Year	Previous Year
Final Dividend	w.r.t. F.Y. 2014-15	w.r.t. F.Y. 2013-14
Amount of Dividend (₹ in Lacs)	328.95	263.16
Number of Non - Resident Shareholders	2	2
Number of Shares held by these Non - Residents	13,158,134	13,158,134

O. CIF Value of imports: *(₹ in Lacs)*

Particulars	Current Year	Previous Year
Raw Material	3,263.10	5,045.09
Stores & Spares, Chemicals & Packing Material	670.27	726.12
Capital Goods	254.88	1,132.88
TOTAL	4,188.25	6,904.09

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

P. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off/ debited to Statement of Profit & Loss / Pre-operative Expenses pending allocation are as under:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	219.61	197.18
Employer's Contribution to Superannuation Fund	60.06	58.62

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 for leave encashment is recognised in the same manner as gratuity.

(₹ in Lacs)

Particulars	Gratuity	Gratuity	Leave Encashment	Leave Encashment
	Funded	Funded	Non Funded	Non Funded
	Current Year	Previous Year	Current Year	Previous Year
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation				
Defined Benefit Obligation at beginning of the year	644.56	431.88	145.61	102.12
Current Service Cost	70.81	57.47	47.96	19.12
Interest Cost	49.63	34.55	11.21	8.17
Actuarial (Gain) / Loss	134.43	143.37	21.90	31.07
Benefit Paid	(35.86)	(22.71)	(28.13)	(14.87)
Defined Benefit Obligation at year end	863.57	644.56	198.55	145.61
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets :				
Fair value of Plan Assets at beginning of the year	555.33	469.76	-	-
Expected return on Plan Assets	53.86	44.26	-	-
Actuarial (Gain) / Loss	(7.14)	(2.69)	-	-
Employer Contribution	271.59	66.71	-	-
Benefit Paid	(35.86)	(22.71)	-	-
Fair value of Plan Assets at year end	837.78	555.33	-	-
c) Reconciliation of Fair Value of Assets and Obligations				
Fair Value of Plan Assets as at year end	837.78	555.33	-	-
Present Value of Obligation as at year end	863.57	644.56	198.55	145.61
Net Assets/ (Liability)	(25.79)	(89.23)	(198.55)	(145.61)
d) Expenses Recognized during the year :				
Current Service Cost	70.81	57.47	47.96	19.12
Interest Cost	49.63	34.55	11.21	8.17
Expected return on Plan Assets	(53.86)	(44.26)	-	-
Actuarial (Gain) /Loss	141.57	146.06	21.90	31.07
Expense Recognised in Statement of Profit & Loss	208.15	193.82	81.07	58.36
e) Investment Details :				
LIC Group Gratuity (Cash Accumulation) Policy	100%	100%		
f) Actuarial assumption				
Mortality Table (L.I.C.)	1994 – 96 Ultimate	1994 – 96 Ultimate	1994 – 96 Ultimate	1994 – 96 Ultimate
Discount Rate (per annum)	7.70%	8.00%	7.70%	8.00%
Rate of Escalation in Salary (per annum)	7.00%	7.00%	7.00%	6.00%

Notes to Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

The estimates of rate of escalation in salary considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(₹ in Lacs)

Particulars	As at 31st March				
	2016	2015	2014	2013	2012
Gratuity					
Obligations at year end	863.57	644.56	431.88	351.26	322.51
Plan Assets at year end, at fair value	837.78	555.33	469.76	452.48	449.26
Funded Status	**(25.79)**	**(89.23)**	**37.88**	**101.22**	**126.75**
Actuarial (Gain) / Loss on:					
Obligations	134.43	143.37	27.72	13.52	40.20
Plan Assets	7.14	2.69	1.20	(0.75)	3.13
Others					
Obligations at year end	198.55	145.61	102.12	81.77	69.79
Actuarial (Gain) / Loss on Obligation	21.90	31.07	(2.00)	(0.91)	(2.57)

Q. **Earnings Per Equity Share (EPS)**

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(₹ in Lacs)	2,695.18	1,993.82
Weighted average number of equity shares considered as Denominator for calculation of Basic EPS	(No.)	31,984,600	31,984,600
Weighted average number of equity shares considered as Denominator for calculation of Diluted EPS	(No.)	31,984,600	31,984,600
Basic EPS	(₹)	8.43	6.23
Diluted EPS	(₹)	8.43	6.23

R. As per Accounting Standard – 17 on Segment Reporting, segment information has been provided in Notes to Consolidated Financial Statements.

S. **Related Party Disclosures (as identified by Management)**

i. **Parties where control exists**

Subsidiary / Step down Subsidiaries	a. Polyplex (Thailand) Public Co Limited (PTL)
	b. Polyplex (Asia) Pte. Limited (PAPL)
	c. Polyplex (Singapore) Pte. Limited (PSPL)
	d. Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)
	e. Polyplex USA LLC (PU)
	f. Polyplex Trading (Shenzhen) Co. Ltd. (PTSL)
	g. PAR LLC USA (PAR LLC)
	h. Polyplex America Holdings Inc (PAH)
	i. EcoBlue Ltd. (EL)
	j. Peninsula Beverages and Food Company Private Limited (PBF)
	k. Polyplex Europe B. V. (PEBV)
	l. Polyplex Paketleme Çozumleri Sanayi Ve Ticaret A.S. (PPC)

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

ii. Other related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)	a. Mr. Sanjiv Saraf (Chairman)
	b. Mr. Pranay Kothari (Executive Director)
	c. Mr. Ashok Kumar Gurnani (Company Secretary)
	d. Mr. Manish Gupta (Chief Financial Officer)
Relative of Key Management Personnel	a. Ms. Ritu Kothari
Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:	a. Beehive Systems Private Limited
	b. Manupatra Information Solutions Private Limited
	c. Manupatra Publishing Private Limited
	d. Altivolus Infotech Private Limited
	e. Dalhousie Villa Private Limited
	f. Bhilangana Hydro Power Limited
	g. Kotla Hydro Power Private Limited
	h. Punjab Hydro Power Private Limited
	i. Abohar Power Generation Private Limited
	j. Kanchanjunga Power Company Private Limited
	k. Uttarakhand Hydro Power Private Limited
	l. Utkarsh Trading and Holdings Limited
	m. Suresh Surana & Associates, LLP
	n. RSM Astute Consulting Private Limited
	o. Praxis Consulting & Information Services Private Limited
	p. S. D. College Society (Lahore), New Delhi

iii. Nature of Transactions with Related Parties *(₹ in Lacs)*

S. No.	Particulars	Subsidiaries of the Company	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
1	Purchase of Material / Services	-	-	29.70	29.19	58.89
		(28.92)	(-)	(29.70)	(26.19)	(84.81)
2	Services Rendered	-	-	-	147.42	147.42
		(24.62)	(-)	(-)	(148.71)	(173.33)
3	Sale of Material	8,828.65	-	-	-	8,828.65
		(10,981.76)	(-)	(-)	(-)	(10,981.76)
4	Sale of Shares	-	-	-	-	-
		(-)	(-)	(-)	(2.50)	(2.50)
5	Remuneration	-	544.98	-	-	544.98
		(-)	(368.30)	(-)	(-)	(368.30)
6	Commission to Director	-	28.00	-	-	28.00
		(-)	(25.00)	(-)	(-)	(25.00)
7	Director's Sitting Fees	-	21.40	-	-	21.40
		(-)	(11.00)	(-)	(-)	(11.00)
8	Donation Given	-	-	-	4.00	4.00
		(-)	(-)	(-)	(-)	(-)
9	Expenses Recovered	13.05	-	-	126.60	139.65
		(120.12)	(-)	(-)	(134.38)	(254.50)
10	Loan given during the Year	75.00	-	-	-	75.00
		(421.00)	(-)	(-)	(-)	(421.00)
11	Dividend Received	1,048.93	-	-	-	1,048.93
		(651.94)	(-)	(-)	(-)	(651.94)

Notes to Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

iii. Nature of Transactions with Related Parties

(₹ in Lacs)

S. No.	Particulars	Subsidiaries of the Company	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
12	Interest Received	-	-	-	166.21	166.21
		(83.21)	(-)	(-)	(252.33)	(335.54)
	Outstanding at year end					
13	Receivables on account of sale of Goods / Services	1,568.64	-	-	8.64	1,577.28
		(3,902.55)	(-)	(-)	(4.35)	(3,906.90)
14	Receivables on account of expenses recovered	-	-	-	9.59	9.59
		(-)	(-)	(-)	(3.12)	(3.12)
15	Loan	996.00	-	-	1,475.00	2,471.00
		(921.00)	(-)	(-)	(1,725.00)	(2,646.00)
16	Interest on Loan Recoverable	-	-	81.35	-	81.35
		(-)	(-)	(-)	(-)	(-)
17	Deposits Recoverable	-	-	20.25	5.00	25.25
		(-)	(-)	(20.25)	(5.00)	(25.25)
18	Deposits Payable	-	-	-	4.66	4.66
		(-)	(-)	(-)	(4.66)	(4.66)
19	Payables	-	28.00	-	5.07	33.07
		(-)	(25.00)	(-)	(6.94)	(31.94)
20	Investment in Equity / Preference Shares	1,951.43	-	-	-	1,951.43
		(1,951.43)	(-)	(-)	(-)	(1,951.43)

Notes: Figures in bracket ( ) indicate Previous Year figures.

Disclosure of Material Transactions with related parties:

(₹ in Lacs)

S. No.	Particulars	Subsidiaries of the Company	KMP / Relative of KMP	Enterprises over which significant influence exist
1	Purchase of Material / Services			
	Ritu Kothari	-	29.70	-
		(-)	(29.70)	(-)
	Suresh Surana & Associates LLP	-	-	17.43
		(-)	(-)	(17.43)
	Dalhousie Villa Private Limited	-	-	7.92
		(-)	(-)	(7.92)
2	Services Rendered			
	Beehive Systems Private Limited	-	-	36.00
		(-)	(-)	(36.00)
	RSM Astute Consulting Private Limited	-	-	32.12
		(-)	(-)	(43.74)
	Manupatra Information Solutions Private Limited	-	-	21.99
		(-)	(-)	(25.95)
	Suresh Surana & Associates LLP	-	-	15.53
		(-)	(-)	(-)
	Altivolus Infotech Private Limited	-	-	15.96
		(-)	(-)	(15.96)

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

Disclosure of Material Transactions with related parties:

(₹ in Lacs)

S. No.	Particulars	Subsidiaries of the Company	KMP / Relative of KMP	Enterprises over which significant influence exist
3	Sale of Material			
	Polyplex USA LLC	6,136.86	-	-
		(6,780.34)	(-)	(-)
	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	1,657.72	-	-
		(2,526.84)	(-)	(-)
4	Expenses Recovered			
	Beehive Systems Private Limited	-	-	36.44
		(-)	(-)	(36.63)
	Altivolus Infotech Private Limited	-	-	33.29
		(-)	(-)	(49.33)
	Manupatra Information Solutions Private Limited	-	-	19.89
		(-)	(-)	(16.00)
	RSM Astute Consulting Private Limited	-	-	15.72
		(-)	(-)	(17.90)
5	Loan given during the Year			
	Peninsula Beverages and Foods Company Private Limited	75.00	-	-
		(421.00)	(-)	(-)
6	Payment to Key Managerial Personnel			
	Mr. Sanjiv Saraf	-	28.00	-
		(-)	(25.00)	(-)
	Mr. Pranay Kothari * #	-	307.22	-
		(-)	(257.26)	(-)
	Mr. Manish Gupta	-	185.23	-
		(-)	(71.74)	(-)
	Mr. Ashok Kumar Gurnani	-	52.53	-
		(-)	(39.30)	(-)
7	Donation Given			
	S. D. College Society (Lahore), New Delhi	-	-	4.00
		(-)	(-)	(-)
8	Dividend Received			
	Polyplex (Asia) Pte Limited	805.20	-	-
		(651.94)	(-)	(-)
	Polyplex (Thailand) Public Co Limited	243.73	-	-
		(-)	(-)	(-)
9	Interest Received			
	Utkarsh Trading and Holdings Limited	-	-	166.21
		(-)	(-)	(252.33)

* To the extent payable

Net of remuneration written back of ₹ 9.91 Lacs for FY 2014-15.

Notes: Figures in bracket ( ) indicate Previous Year figures.

Notes to Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

T. Remuneration paid / provided to Mr. Pranay Kothari, Whole Time Director for FY 2015-16 amounting to ₹ 314.50 Lacs (including contribution to Superannuation fund and Provident fund) and does not include payment of ₹ 1.97 Lacs and ₹ 0.66 Lacs paid towards leave encashment and medical reimbursements as per the policy of company, in terms of the approval of the shareholders as per Special Resolution passed by the members on September 28, 2015, exceeds the ceiling on Managerial Remuneration as per Section 197, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules of the Companies Act, 2013 by ₹ 172.89 Lacs, for which application for approval is pending with Ministry of Corporate Affairs, Government of India.

U. Debtors over six months include overdue debtors aggregating to ₹ 31.95 Lacs (Previous Year: ₹ 31.95 Lacs) (net of provision of ₹ Nil (Previous Year: ₹ Nil)) where Company has initiated legal or other necessary action for recovery.

V. (i) The provision for current income tax is after considering various benefits and allowances available to the Company under the provisions of Income Tax Act, 1961, as assessed by the management and is net of Deemed Tax Credit Entitlement in respect of overseas subsidiary company of ₹ 24.37 Lacs (Previous Year: ₹ Nil)

(ii) Income Tax assessment in respect of certain years are in process and for certain years some additions have been made. In respect of additions made / disallowances, in some cases the Company has filed appeals with authorities, pending decisions no provisions has been considered necessary by the management.

W. In accordance with the provisions of Accounting Standard on Impairment of Assets (AS – 28), the management has made assessment of assets considering the business prospects related thereto and, accordingly, no provision on account of impairment of assets is considered necessary in these accounts.

X. Previous Year's figures have been re-grouped/re-classified accordingly.

Y. Figures in the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been expressed in ₹ Lacs with two decimals.

As per our report of even date attached

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155

Place: New Delhi
Date: May 30, 2016

For and on behalf of the Board of Directors

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

CONSOLIDATED
FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
POLYPLEX CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Polyplex Corporation Limited (hereinafter referred to as "the Holding Company")and its subsidiaries (the holding company and its subsidiaries collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in term of their report referred to in sub- paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the Consolidated State of Affairs of the Group, as at 31st March 2016, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

Other matters

a) We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of ₹ 4,04,264.40 Lacs as at 31st March, 2016, total revenues of ₹1,94,363.29 Lacs and net profit after tax of ₹ 10,615.07 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.

Our opinion is not qualified in respect of other matters.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

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

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the group is disqualified as on 31st March 2016 from being appointed as a Director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company & subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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

      i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. - Refer Note 28(B) to the Consolidated Financial Statements;

      ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – refer Note No. 28(D)(i), (ii) & (iii) to the Consolidated Financial Statements.

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

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N.K. Lodha
Partner
Membership No.085155

Place: New Delhi
Date: May 30, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Polyplex Corporation Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary (incorporated in India) together referred to as "the Group") which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

N.K. Lodha
Partner
Membership No.085155

Place: New Delhi
Date: May 30, 2016

Consolidated Balance Sheet as at 31st March 2016

(₹ in Lacs)

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,256.32	3,256.32
Reserves and Surplus	3	228,865.03	208,832.93
Minority Interest		63,519.96	65,891.44
Non Current Liabilities			
Long Term Borrowings	4	71,412.33	97,306.14
Deferred Tax Liabilities (Net)	5	-	-
Other Long Term Liabilities	6A	61.42	85.12
Long Term Provisions	6B	647.98	561.66
Current Liabilities			
Short Term Borrowings	7	49,602.89	55,663.51
Trade Payables	8	18,654.66	20,135.52
Other Current Liabilities	9	19,830.87	21,717.22
Short Term Provisions	10	1,223.61	948.02
TOTAL		457,075.07	474,397.88
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	240,146.07	256,281.17
Intangible Assets	11	116.70	178.94
Capital Work-in-Progress		293.28	799.64
Goodwill on Consolidation		330.25	405.60
Non Current Investments	12	-	-
Long Term Loan and Advances	13	3,033.15	2,268.12
Other Non-Current Assets	14	476.32	501.82
Deferred Tax Assets (Net)	5	2,679.08	6,320.47
Current Assets			
Current Investments	15	83.37	1,626.05
Inventories	16	40,951.75	43,434.46
Trade Receivables	17	43,400.58	40,229.01
Cash & Cash Equivalents	18	113,500.13	107,436.98
Short Term Loans and Advances	19	8,925.12	12,889.68
Other Current Assets	20	3,139.27	2,025.94
TOTAL		457,075.07	474,397.88
Significant accounting policies and other explanatory notes are integral part of Consolidated financial statements	1, 28		

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155
Place: New Delhi
Date: May 30, 2016

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Lacs)

	Particulars	Note No.	Year ended 31 March, 2016	Year ended 31 March, 2015
	Revenue from Operations	21	323,034.83	325,907.45
	Less: Excise Duty		5,015.72	5,491.23
I	**Revenue from Operations (Net)**		318,019.11	320,416.22
II	Other Income	22	3,358.02	11,790.62
III	**Total Revenue (I + II)**		**321,377.13**	**332,206.84**
IV	**Expenses**			
	Cost of Materials Consumed	23	183,431.11	201,994.59
	Purchases of Stock-in-trade		3,707.77	1,565.44
	Changes in Inventories	24	1,370.70	2,051.66
	Employee Benefits Expense	25	29,515.17	26,745.80
	Finance Costs	26	4,807.91	5,587.66
	Depreciation and Amortisation		20,895.56	21,575.60
	Other Expenses	27	64,666.81	59,641.99
	Total Expenses		**308,395.03**	**319,162.74**
V	**Profit Before Exceptional and Extraordinary Items and Tax (III - IV)**		**12,982.10**	**13,044.10**
VI	Exceptional Items (gain) / Loss (Refer Note 28E)		6,565.82	4,774.79
VII	**Profit Before Tax (V - VI)**		**6,416.28**	**8,269.31**
VIII	Tax Expense			
	Current Tax		1,159.02	792.12
	MAT Credit		(378.76)	(381.81)
	Deferred Tax		4,027.46	81.46
	Prior Period Adjustment - Tax		(16.13)	2.61
	Total		**4,791.59**	**494.38**
IX	**Profit for the Period before Minority Interest (VII - VIII)**		**1,624.69**	**7,774.93**
X	**Less: Minority Interest**		**(1,279.14)**	**3,980.19**
XI	**Profit for the Period after Minority Interest (IX - X)**		**2,903.83**	**3,794.74**
XII	**Earnings Per Equity Share**			
	Basic (in ₹)		9.08	11.86
	Diluted (in ₹)		9.08	11.86
	Significant accounting policies and other explanatory notes are integral part of Consolidated financial statements	1, 28		

As per our report of even date attached

For and on behalf of the Board of Directors

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

N. K. Lodha
Partner
Membership No. 085155

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: New Delhi
Date: May 30, 2016

Place: Noida
Date: May 30, 2016

Consolidated Cash Flow Statement for the year ended 31st March 2016

(₹ in Lacs)

	2015-16		2014-15	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		6,416.28		8,269.31
Adjustments For :				
Depreciation / Amortization	20,969.89		21,654.44	
Provision for doubtful debts/ bad debts written off	17.60		16.61	
Interest Expenses	4,807.91		5,587.66	
Interest Income	(2,917.57)		(2,861.03)	
Impairment Loss on Property, Plant & Equipmnet	6,565.82		-	
Unrealised foreign exchange (gain) / loss	3,502.65		(6,477.35)	
Excess provision / sundry balances written back	(93.08)		(28.13)	
Provision for Doubtful Debts written back	(35.29)		-	
Exceptional Item (Loss on sales of investment in subsidiary)	-		4,774.79	
Loss/(Gain) on sale of fixed assets (net)	9.82		(9.22)	
Asset written off	6.85		3.95	
Profit on sale of investments	(29.54)		(23.61)	
		32,805.06		22,638.11
Operating Profit before Working Capital Changes		39,221.34		30,907.42
Adjustments For :				
Trade and other receivables	(98.36)		(2,298.23)	
Inventories	2,482.71		1,600.24	
Trade payables and Other Liability	349.06	2,733.41	7,749.48	7,051.49
Cash Generated From Operations		41,954.75		37,958.91
Taxes Paid		(550.40)		(358.18)
Net Cash From Operating Activities		41,404.35		37,600.73
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & CWIP Including Advances	(5,186.05)		(15,688.11)	
Sale of Fixed Assets	417.46		60.42	
Sale of Investment in Subsidiary	-		16,884.84	
Sale of Long Term Investments	-		5,959.72	
Purchase of Short Term Investments	(88,780.00)		(63,625.00)	
Sale of Short Term Investments- MF	90,352.22		62,674.10	
(Decrease) / Increase in Minority Interest {net of dividend paid}	(1,092.34)		179.29	
Interest/Dividend received	2,244.80		1,987.89	
Net Cash Used in Investing Activities		(2,043.91)		8,433.15

Consolidated Cash Flow Statement for the year ended 31st March 2016

(₹ in Lacs)

	2015-16		2014-15	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Repayment of Long Term Borrowings	(35,568.16)		(34,826.29)	
Net proceeds from Short Term Borrowings	(6,060.62)		17,759.70	
Interest paid	(4,868.09)		(5,725.86)	
Dividends paid	(801.81)		(638.92)	
Net Cash Used In Financing Activities		(47,298.68)		(23,431.37)
D. CHANGE IN CURRENCY FLUCTUATION RESERVE				
ARISING ON CONSOLIDATION		14,001.39		(8,435.14)
Net Increase in Cash and Cash Equivalents		6,063.15		14,167.37
Cash and Cash Equivalents as at beginning of the year	30,674.64		43,418.70	
Other Bank balances as at beginning of the year	76,762.34		49,850.91	
Total Cash & bank balances as at beginning of the year		107,436.98		93,269.61
Cash and Cash Equivalents as at end of the year	44,028.75		30,674.64	
Other Bank balances as at end of the year	69,471.38		76,762.34	
Total Cash & bank balances as at end of the year		113,500.13		107,436.98

NOTE:

1. Cash and cash equivalent represents cash and bank balances as per Note 18.
2. Previous Year figures are regrouped wherever necessary.

As per our report of even date attached

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155

Place: New Delhi
Date: May 30, 2016

For and on behalf of the Board of Directors

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

Note: 1 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

(a) The Consolidated Financial Statements (CFS) relate to Polyplex Corporation Limited (the Company), and its Subsidiaries. The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS 21), and are prepared on the following basis:

(i) The Financial Statements of the Company and its Subsidiaries are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/ losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit/ loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:

(1) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.

(2) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.

(3) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.

(4) The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.

(ii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities and equity are translated at the closing rate. Any exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

(b) Accounting Assumption

The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the Generally Accepted Accounting Principles (GAAP). However, in respect of the subsidiaries, these financial statements are prepared in conformity with generally accepted accounting principles in the respective countries on accrual basis. Accordingly, the Financial Statements are intended solely to present the financial position, results of operations and cash flows in accordance with the generally accepted accounting principles and practices.

(c) The Consolidated Financial Statements (CFS) comprise the financial statements of Polyplex Corporation Limited (PCL) and its wholly owned or controlled subsidiaries as on March 31, 2016, as given below:

Name of the Company	Country of Incorporation	% Shareholding & Voting Power
Polyplex (Asia) Pte. Limited (PAPL)	Singapore	100%
Polyplex (Thailand) Public Company Limited (PTL)	Thailand	51%
Polyplex (Singapore) Pte. Limited (PSPL)	Singapore	100% (1)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)	Turkey	100% (2)
Polyplex Trading (Shenzhen) Co. Limited (PTSL)	China	100% (3)
PAR LLC (USA)	U.S.A	100% (4)
Polyplex America Holdings Inc (PAH)	U.S.A	100% (1)
Polyplex USA LLC (PU)	U.S.A	100% (5)
Peninsula Beverages and Foods Company Private Limited (PBF)	India	100% (4)
EcoBlue Limited (EcoBlue) #	Thailand	74% (6)
Polyplex Europe B.V. (PEBV)	Netherland	100% (1)
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi (PP)	Turkey	100% (7)

(1) 100% Subsidiary of PTL.	(4) 100% Subsidiary of PAPL
(2) 100% Subsidiary of PSPL. Includes 4 shares not registered in the name of the PSPL, beneficial interest being held by PSPL.	(5) 100% Subsidiary of PAH (6) 74% share being held by PTL
(3) 100% Subsidiary of PSPL	(7) 100% Subsidiary of PE

W.e.f 1st April, 2015, PTL shareholding in the EcoBlue has been decreased to 74% from 80% .

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note:1 SIGNIFICANT ACCOUNTING POLICIES

(d) Additional information, as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary.

Name of the Entity	Current Year				Previous Year			
	Net Assets (Total Assets - Total Liabilities)		Share in Profit & Loss		Net Assets (Total Assets - Total Liabilities)		Share in Profit & Loss	
	As % of Consolidated net assets	Amount (₹ in Lacs)	As % of Consolidated Profit and Loss	Amount (₹ in Lacs)	As % of Consolidated net assets	Amount (₹ in Lacs)	As % of Consolidated Profit and Loss	Amount (₹ in Lacs)
Parent Company								
Polyplex Corporation Limited	18.60	43,101.66	92.81	2,695.17	19.53	41,338.13	52.54	1,993.82
Subsidiaries								
Indian								
Peninsula Beverages and Foods Company Private Limited	(0.40)	(931.46)	(2.27)	(65.88)	(0.41)	(865.58)	(15.77)	(598.46)
Foreign								
Polyplex (Asia) Pte. Limited	45.53	105,527.27	56.82	1,649.97	46.76	98,983.19	(49.37)	(1,873.30)
PAR LLC	0.60	1,379.84	(0.43)	(12.49)	0.62	1,311.45	1.12	42.32
Polyplex (Thailand) Public Company Limited	22.38	51,881.65	(213.72)	(6,206.03)	28.72	60,788.47	(51.72)	(1,962.63)
Polyplex (Singapore) Pte. Limited	3.73	8,655.84	(0.21)	(6.08)	4.16	8,807.62	(0.10)	(3.94)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	52.55	121,811.03	410.53	11,921.07	46.49	98,413.13	233.18	8,848.66
Polyplex Trading (Shenzhen) Co. Limited	0.10	240.95	0.75	21.87	0.10	214.17	(0.93)	(35.45)
Polyplex America Holdings Inc	9.34	21,655.07	(166.37)	(4,831.24)	10.44	22,091.85	12.30	466.60
Polyplex USA LLC	4.02	9,324.17	(233.78)	(6,788.44)	4.22	8,933.05	(6.56)	(249.04)
EcoBlue Limited	0.39	905.05	8.47	245.85	0.32	671.03	4.31	163.58
Polyplex Europe B.V.	0.14	335.97	3.55	103.09	0.10	205.63	1.96	74.52
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi	0.04	85.53	1.55	45.01	0.02	40.30	0.59	22.29
Polyplex Resins Sanayi VE Ticaret A.S. *	-	-	-	-	-	-	5.01	190.20
TOTAL	157.03	363,972.57	(42.29)	(1,228.13)	161.07	340,932.44	186.55	7,079.18
Adjustment for:								
Minority Interest in Subsidiaries	(27.40)	(63,519.96)	44.05	1,279.14	(31.13)	(65,891.44)	(104.89)	(3,980.19)
Total Eliminations arising out of consolidation	(29.62)	(68,661.51)	98.24	2,852.82	(29.93)	(63,357.35)	18.33	695.75
TOTAL	100.00	231,791.10	100.00	2,903.83	100.00	211,683.65	100.00	3,794.74

* Ceased to be subsidiary w.e.f. 2nd March, 2015.

(e) Accounting Policies and Notes to Accounts of the financial statements of the Company and its Subsidiaries are set out in their respective financial statements.

(f) The policy for depreciation for manufacturing unit adopted by Polyplex Corporation Limited (PCL) is written down Value Method (WDV) as per life prescribed in Schedule II to the Companies Act, 2013 except for Plant and Machinery running on continuous process basis. Where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represent the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

The policy adopted by different subsidiaries on depreciation is enumerated below:

(i) PTL (including subsidiaries):

Land is stated at cost. Buildings and Equipments are stated at cost less accumulated depreciation and allowance for loss on impairment assets (if any).

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight line basis. Depreciation of other equipment is calculated on the sum of the year digits basis.

Note:1 SIGNIFICANT ACCOUNTING POLICIES

The estimated useful lives of plant and equipment are as follows:

Building & Building Improvements	20, 50 years
Machinery & Equipment	4 -20 years
Furniture, Fixtures and Office Equipments	3-10 years
Motor Vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land, machinery in transit, and assets under installation and construction.

(ii) PAPL:

Depreciation on computer begins when the assets are available for use and is calculated on the straight line basis over its estimated useful life of 4 years.

(iii) PAR LLC:

Depreciation on Condominium and Furniture & Fixture is provided for under the straight-line methods at rates sufficient to amortise the related costs over the estimated useful lives of the respective assets, which range from 5-30 Years.

(g) In case of PU, front-end fee of the loan paid to financial institution is deferred and amortized on a Straight-Line Method over the period of loan agreement.

(h) Employees Benefits

The policy on employees benefits differ in case of PE where in accordance with the existing social legislation in Turkey, the company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of liability is based upon the retirement pay ceiling announced by the Government. Such payments are calculated on the basis of 30 days' pay, (limited to a maximum of ₹ 0.96 Lacs {EUR 1,276} at March 31, 2016) per year of employment at the rate of pay applicable at the date of retirement or termination.

(i) Foreign Currency Transaction

In case of PTL (Including Subsidiaries), and PAPL, gain / loss on exchange difference (including derivative instruments) are transferred to Statement of Profit & Loss.

(j) Certain policies such as depreciation, deferred charges, taxation, employees benefits & foreign currency transactions (as stated above) differ from those followed by the Holding Company, as at PTL (including subsidiaries) which represent material activities prepare and present financial statements as per the IFRS. The impact of the above differences in accounting policies has not been computed.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 2 SHARE CAPITAL		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹10 each	3,400.00	3,400.00
Issued and Subscribed		
3,31,80,300 (Previous Year - 3,31,80,300) Equity Shares of ₹10 each	3,318.03	3,318.03
Issued, Subscribed and Fully Paid-up		
3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹10 each	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86
TOTAL	3,256.32	3,256.32

RECONCILIATION OF NUMBER OF SHARES

Particulars	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	31,984,600	31,984,600
Additions during the year	-	-
Shares outstanding as at the end of the year	31,984,600	31,984,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31st March, 2016 No. of shares	As at 31st March, 2015 No. of shares
Mahalaxmi Trading & Investment Co Limited	7,622,390	7,622,390
Secure Investments Limited	5,535,744	5,535,744
K2 Family Trust through its Trustee IL & FS Trust Company Limited	4,319,749	4,165,678

AGGREGATE NUMBER OF EQUITY SHARES ALLOTED AS FULLY PAID UP BY WAY OF BONUS SHARES

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
-	-	-	-	-	15,992,300

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 3 RESERVES AND SURPLUS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve		
Central Investments subsidy	85.00	85.00
State Investments subsidy	30.00	30.00
Share Warrants Forfeited	250.80	250.80
Others	58.36	58.36
Sub Total (a)	424.16	424.16
Securities Premium Reserve		
As per last Balance Sheet	15,731.18	15,295.69
Add : Updation on Translation Adjustment	(505.42)	853.91
Less : Minority Interest	(247.67)	418.42
Sub Total (b)	15,473.43	15,731.18
Legal Reserve #		
As per last Balance Sheet	1,838.18	1,778.36
Updation on Translation Adjustment	(35.40)	59.82
Sub Total (c)	1,802.78	1,838.18
General Reserve		
As per last Balance Sheet	5,485.58	5,286.20
Transferred from Profit & Loss Account	269.52	199.38
Sub Total (d)	5,755.10	5,485.58
Surplus As Per Profit & Loss Account		
Surplus Bought Forward	153,448.68	150,572.12
Add:		
Profit as per Profit & Loss Statement	2,903.83	3,794.74
Corporate Dividend Tax - Proposed Dividend - Written Back	27.90	108.72
Less:		
Transferred to General Reserve	269.52	199.38
Proposed Dividend	959.54	799.62
Corporate Dividend Tax - Proposed Dividend	-	27.90
Sub Total (e)	155,151.35	153,448.68
Foreign Exchange Translation Reserve (Including arised on Consolidation)		
As per last Balance Sheet	31,905.15	49,442.81
Addition during the year	18,353.06	(17,537.66)
Sub Total (f)	50,258.21	31,905.15
TOTAL (a + b + c + d + e + f)	228,865.03	208,832.93

Legal Reserve is set up by Polyplex (Thailand) Public Company Limited (Subsidiary Company) as per applicable GAAP. Legal Reserve is not available for dividend distribution.

Note: 4 LONG TERM BORROWINGS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Term Loans From Banks		
Rupee Term Loan	-	4,687.50
Foreign Currency Term Loan	79,801.34	105,093.64
Sub Total (a)	79,801.34	109,781.14
Less: Current Portion		
Rupee Term Loan	-	1,250.00
Foreign Currency Term Loan	8,389.01	11,225.00
Sub Total (b)	8,389.01	12,475.00
TOTAL (a - b)	71,412.33	97,306.14

Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 5 DEFERRED TAX LIABILITY/ (ASSETS) (NET) (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Tax (Assets)		
Disallowance as per Income Tax Act	(3,237.84)	(7,036.66)
Deferred Tax Liability		
Disallowance on account of Depreciation	558.76	716.19
TOTAL	(2,679.08)	(6,320.47)

Note: 6A OTHER LONG TERM LIABILITIES (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Financial Lease Liability	61.42	85.12
TOTAL	61.42	85.12

Note: 6B LONG TERM PROVISIONS (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Retirement Benefits	647.98	561.66
TOTAL	647.98	561.66

Note: 7 SHORT TERM BORROWINGS (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans		
Loans from Banks repayable on Demand	49,414.59	53,901.30
Buyer's Credit	188.30	1,762.21
TOTAL	49,602.89	55,663.51

Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

Note: 8 TRADE PAYABLES (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Total Outstanding due to		
Micro and small enterprises	-	-
Other vendors other than micro and small enterprises	18,654.66	20,135.52
TOTAL	18,654.66	20,135.52

Note: 9 OTHER CURRENT LIABILITIES (₹ in Lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturity of Long Term Debt	8,389.01	12,475.00
Current Maturity of Finance Lease	28.94	26.19
Interest accrued but not due on borrowing	165.77	225.95
Unclaim Dividend	114.42	116.61
Other Security Deposits	144.15	141.36
Statutory liability	700.73	506.60
Creditors for Capital Expenses	213.67	359.74
Advance from Customers	1,612.88	1,228.14
Other liabilities	8,461.30	6,637.63
TOTAL	19,830.87	21,717.22

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 10 SHORT TERM PROVISIONS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Wealth Tax	-	1.77
Provision for Retirement Benefits	264.07	118.73
Proposed Dividend	959.54	799.62
Corporate Dividend Tax	-	27.90
TOTAL	1,223.61	948.02

Note: 11 FIXED ASSETS (₹ in Lacs)

Particulars	Gross Block				Depreciation/ Amortisation				Net Block	
	As At 01.04.2015	Additions during the year	Sale / adjustments * #	As at 31.3.2016	As at 01.04.2015	For the year	Sale / adjustments	As At 31.03.2016	As At 31.03.2016	As at 31.3.2015
Tangible Assets										
Freehold Land	8,391.73	-	(151.52)	8,543.25	-	-	-	-	8,543.25	8,391.73
Leasehold Land	493.33	-	-	493.33	108.09	5.93	-	114.02	379.31	385.24
Buildings	71,417.58	382.80	(63.83)	71,864.21	11,949.26	2,847.14	(272.76)	15,069.16	56,795.05	59,468.32
Plant & Machinery	287,796.13	3,925.87	(1,729.26)	293,451.26	102,042.07	16,937.73	(1,829.50)	120,809.30	172,641.96	185,754.06
Electrical Installations	2,107.91	2.01	14.43	2,095.49	1,433.05	211.04	8.75	1,635.34	460.15	674.86
Furniture & Fixtures	1,834.23	321.59	365.86	1,789.96	1,412.47	130.42	65.77	1,477.12	312.84	421.76
Office Equipments	2,706.01	105.56	(380.88)	3,192.45	1,863.65	473.65	(164.08)	2,501.38	691.07	842.36
Vehicles	1,406.80	33.01	94.67	1,345.14	1,063.96	209.47	250.73	1,022.70	322.44	342.84
TOTAL	376,153.72	4,770.84	(1,850.53)	382,775.09	119,872.55	20,815.38	(1,941.09)	142,629.02	240,146.07	256,281.17
Previous Year	352,024.48	34,053.65	9,924.41	376,153.72	102,803.30	21,500.81	4,431.56	119,872.55	256,281.17	
INTANGIBLE ASSETS										
Computer Software	495.58	0.52	(38.45)	534.55	316.64	80.18	(21.03)	417.85	116.70	178.94
Total	495.58	0.52	(38.45)	534.55	316.64	80.18	(21.03)	417.85	116.70	178.94
Previous Year	480.06	275.61	260.09	495.58	273.03	74.79	31.18	316.64	178.94	
Grand Total - Current Year	376,649.30	4,771.36	(1,888.98)	383,309.64	120,189.19	20,895.56	(1,962.12)	143,046.87	240,262.77	256,460.11
Grand Total - Previous Year	352,504.54	34,329.26	10,184.50	376,649.30	103,076.33	21,575.60	4,462.74	120,189.19	256,460.11	-

Notes :

* Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of ₹ 9194.57 Lacs (Previous Year loss of ₹ 7897.98 Lacs).

Sale/Adjustment includes allowance for Impairment of assets of ₹ 6565.82 Lacs (Previous Year ₹ Nil).

Note: 12 NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Nos.	(₹ in Lacs)	Nos.	(₹ in Lacs)
(At Cost less Provision)				
(Long Term Investments - Other Than Trade)				
Investment in Bonds	-	-	-	-
TOTAL		-		-
Note:				
Aggregate of Unquoted Investments (At Cost less Provisions)		-		-

Note: 13 LONG TERM LOANS AND ADVANCES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Advances to Vendors	701.33	249.84
Security Deposits	746.03	811.25
MAT Credit Entitlement	1,585.79	1,207.03
TOTAL	3,033.15	2,268.12

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 14 OTHER NON-CURRENT ASSETS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Export Incentives	3.24	36.93
Miscellaneous Expenditure (to the extent not written off)	77.11	108.46
Fixed Deposit with Banks	395.97	356.43
TOTAL	476.32	501.82

Note: 15 CURRENT INVESTMENTS				
Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of units	(₹ in Lacs)	No. of units	(₹ in Lacs)
(Other than Trade)				
(Unquoted - Other than Shares)				
Mutual Funds				
Other investment	-	83.37	-	1,626.05
TOTAL		83.37		1,626.05

Note: 16 INVENTORIES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
(as valued and certified by the Management)		
(at lower of cost or net realisable value)		
Raw Materials (including stock in transit of ₹ 1297.78 Lacs, Previous year: ₹ 1201.35 Lacs)	9,593.14	11,149.77
Stock in Process	5,865.28	7,661.64
Finished Goods (including Traded stock) (including stock in transit of ₹ 3689.50 Lacs, Previous year: Rs 7300.33 Lacs)	17,864.46	17,437.30
Stores & Spares	7,628.87	7,185.75
TOTAL	40,951.75	43,434.46

Note: 17 TRADE RECEIVABLES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	339.43	138.27
Considered doubtful	176.18	222.84
Less: Provision for Doubtful Debts	(176.18)	(222.84)
Other Debts		
Unsecured, considered good	43,061.15	40,090.74
TOTAL	43,400.58	40,229.01

Note: 18 CASH AND CASH EQUIVALENTS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalent		
Cash on hand	56.72	49.80
Cheques in hand	83.16	-
Bank Balance with Schedule Banks		
Current Accounts	327.51	799.62
Fixed Deposits with origin less than three months	-	52.00
Bank Balance with Non-Schedule Banks		
Current Accounts	9,761.77	7,847.57
Fixed Deposits with origin less than three months	33,799.59	21,925.65
Sub Total (a)	44,028.75	30,674.64
Earmarked Balance with Banks		
Unpaid Dividend Accounts	114.31	116.50
Fixed Deposits with origin more than one year	395.97	356.43
Less: Fixed Deposit presented under Other Non Current Assets (Note 14)	(395.97)	(356.43)
Sub Total (b)	114.31	116.50
Other Bank Balances		
Fixed Deposits (Lien with Banks)	2.21	4.31
Fixed Deposits with origin more than three months	1,654.38	6,358.22
Fixed Deposits with origin more than one year	67,700.48	70,283.31
Sub Total (c)	69,357.07	76,645.84
TOTAL (a + b + c)	**113,500.13**	**107,436.98**

Note: 19 SHORT TERM LOANS AND ADVANCES		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Related Party	1,500.25	1,750.25
Advances to Vendors & others	4,494.79	8,332.54
Export Benefit Receivables	674.27	523.25
Prepaid Expenses	411.76	528.93
Inter-corporate deposit	-	500.00
Deposits with Government Authorities & Others	960.98	281.74
Advance Tax (Net of Provisions)	93.80	309.30
Balance with Customs & Excise	789.27	663.67
TOTAL	**8,925.12**	**12,889.68**

Note: 20 OTHER CURRENT ASSETS		(₹ in Lacs)
Particulars	As at 31st March, 2016	As at 31st March, 2015
Discarded Plant & Machinery held for sale	33.72	33.41
Other Receivables	3,105.55	1,992.53
TOTAL	**3,139.27**	**2,025.94**

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 21 REVENUE FROM OPERATIONS		(₹ in Lacs)
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales		
Plastic Films	309,339.30	308,265.32
Resins	7,516.77	13,361.37
Others	5,204.73	3,965.83
Gross Sales	322,060.80	325,592.52
Other Operating Income		
Liabilities Written Back	93.08	28.13
Provision for Doubtful Debts Written Back	35.29	-
Insurance Claims Received	839.27	264.63
Prior Period Income	6.39	22.17
TOTAL	323,034.83	325,907.45

Note: 22 OTHER INCOME		(₹ in Lacs)
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Rental Income	250.88	291.32
Profit on Sale of Current Investments	29.54	23.61
Jobwork Income	1.65	-
Foreign Exchange Fluctuation Gain (Net)	-	7,858.17
Interest Income	2,917.57	2,861.03
Miscellaneous Income	158.38	756.49
TOTAL	3,358.02	11,790.62

Note: 23 COST OF MATERIALS CONSUMED		(₹ in Lacs)
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Raw Material	170,386.87	190,305.92
Packing Material	13,044.24	11,688.67
TOTAL	183,431.11	201,994.59

Note: 24 CHANGES IN INVENTORIES		(₹ in Lacs)
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Stock		
- Finished Goods	17,437.30	18,424.57
- Stock in Process - Chips / Others	7,661.64	8,763.86
	25,098.94	27,188.43
Closing Stocks		
- Finished Goods	17,864.46	17,437.30
- Stock in Process - Chips / Others	5,865.28	7,661.64
	23,729.74	25,098.94
Add : Increase / (Decrease) in Excise Duty on Stocks	1.50	(37.83)
Net Changes in Inventories	1,370.70	2,051.66

Note: 25 EMPLOYEE BENEFITS EXPENSE		(₹ in Lacs)
Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Bonus etc	25,893.39	23,466.77
Contribution to Provident and other Funds	1,389.23	1,233.99
Staff Welfare Expenses	2,232.55	2,045.04
TOTAL	29,515.17	26,745.80

Note: 26 FINANCE COSTS (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Expense	4,604.18	5,274.48
Other Borrowing Cost	203.73	313.18
TOTAL	**4,807.91**	**5,587.66**

Note: 27 OTHER EXPENSES (₹ in Lacs)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Manufacturing Expenses		
Job Work Charges	2.18	0.62
Stores & Spares Consumed	7,717.83	5,916.48
Power & Fuel	20,049.14	21,735.59
Repairs and Maintenance:		
Building	373.36	254.62
Plant & Machinery	2,609.39	1,796.14
Sub Total (a)	**30,751.90**	**29,703.45**
Administrative Expenses		
Rent	847.51	782.82
Insurance	1,188.74	1,556.70
Directors' Commission	28.00	25.00
Directors' Sitting Fee	21.67	99.56
Other Administrative Expenses	9,076.46	11,191.65
Sub Total (b)	**11,162.38**	**13,655.73**
Selling Expenses		
Freight	12,321.17	13,476.46
Other Selling Expenses	4,417.63	2,602.30
Sub Total (c)	**16,738.80**	**16,078.76**
Other Expenses		
Asset Written Off	6.85	3.95
Provision for Doubtful Advance to supplier	21.66	25.17
Loss on Sale of Fixed Assets (Net)	9.82	54.41
Donation	15.69	13.03
Foreign Exchange Fluctuation loss (Net)	5,779.42	-
Amortisation for Pre operative expenses	74.33	78.84
Bad Debts	2.43	16.61
Provision for Doubtful Debts	15.17	-
CSR Expenditures	88.36	12.04
Sub Total (d)	**6,013.73**	**204.05**
TOTAL (a + b + c + d)	**64,666.81**	**59,641.99**

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 28 OTHER EXPLANATORY NOTES

A. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 701.33 Lacs, Previous Year : ₹ 249.84 Lacs) ₹ 1986.90 Lacs (Previous Year : ₹ 141.85 Lacs) as provided & certified by Management.

B. Contingent Liabilities not provided for in respect of (as provided & certified by Management):

a) Disputed matters under litigation:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	93.76	103.36
Excise Duty & Customs Duty	41.14	29.14
Service Tax	12.55	-
Income Tax	727.31	382.46
Others	23.93	25.36

b) Bills discounted with Banks ₹ 422.12 Lacs (Previous Year : ₹ Nil)

c) Custom duty saved amounting to ₹ 706.23 Lacs (Previous Year : ₹ 2,639.24 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

d) Guarantees given to/by the banks ₹ 90,186.91 Lacs (Previous Year : ₹ 86,495.83 Lacs) (utilised amount ₹ 69,143.17 Lacs (Previous Year : ₹ 75,337.77 Lacs)) including ₹ Nil (Previous Year : ₹ 2.00 Lacs) on behalf of other bodies corporate.

e) Liability against non-receipts of "C" Form ₹ 2.25 Lacs (Previous Year : ₹ Nil)

f) Service Agreements

Polyplex (Thailand) Public Company Limited

As at March 31, 2016, the Company had commitments totalling ₹ 283.56 Lacs (Previous Year: ₹ 1,755.84 Lacs) under various service agreements. These agreements expire between April 2016 and September 2019.

C. Polyplex (Thailand) Public Company Limited

The Company has received promotional privileges from the Board of Investments for the manufacture of polyester films, metallized films, extrusion Coated films, cast polypropylene films, silicon coated films and PET resins. As a promoted company, the company must comply with certain conditions and restrictions provided for in the promotional certificates.

D. i. The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

POLYPLEX CORPORATION LIMITED

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (₹ in Lacs)	Amount (Fx)	Amount (₹ in Lacs)
Loans - Long Term	USD	14,449,973	9,586.53	21,246,981	13,300.78
	EUR	6,630,551	4,979.91	9,282,771	6,267.76
	JPY	-	-	210,000,000	1,115.31
Loans - Short Term	USD	3,988,793	2,646.28	8,599,467	5,383.34
	EUR	63,000	47.32	2,165,299	1,462.02
Debtors	USD	3,823,162	2,535.63	5,738,920	3,591.46
	EUR	480,496	360.78	800,356	540.24
Sundry Creditors	USD	195,804	129.90	194,623	121.84
	EUR	115,471	86.73	37,281	25.17
	JPY	75,000	0.45	40,000	0.21
Other Liabilities	USD	74,846	49.66	92,296	57.78
	EUR	666	0.50	-	-

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

PENINUSLA BEVERAGES & FOODS COMPANY PRIVATE LIMITED

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (₹ in Lacs)	Amount (Fx)	Amount (₹ in Lacs)
Loans & Advances	USD	-	-	86,033	46.99

ii. The Foreign Currency Exposure that are hedged by a derivative instrument or otherwise are as follows:

POLYPLEX CORPORATION LIMITED

Particulars	Current Year			Previous Year		
	Contract Sell/Buy	Currency	Amount (Fx)	Contract Sell/Buy	Currency	Amount (Fx)
Forward Contracts	USD/INR	USD	1,000,000	USD/INR	USD	3,250,000
Forward Contracts	EUR/INR	EUR	689,422	EUR/INR	EUR	602,644
Forward Contracts	INR/USD	USD	339,107	INR/USD	USD	-
SWAP Deal	USD/JPY	USD	-	USD/JPY	USD	2,000,000

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED (INCLUDING SUBSIDIARIES)

Particulars	Current Year			Previous Year		
	Contract Sell/Buy	Currency	Amount (Fx)	Contract Sell/Buy	Currency	Amount (Fx)
Forward Contracts	Baht/USD	USD	1,370,000	Baht/USD	USD	3,840,000
	USD/Baht	USD	31,390,000	USD/Baht	USD	30,050,000
	Baht/Euro	Euro	360,000	Baht/Euro	Euro	480,000
	Euro/Baht	Euro	1,260,000	Euro/Baht	Euro	1,110,000
	JPY/Baht	Japenese Yen	19,420,000	JPY/Baht	Japenese Yen	55,650,000
	Euro/TL	Turkish Lira	3,000,000	Euro/TL	Turkish Lira	2,000,000
	Euro/USD	USD	3,000,000	Euro/USD	USD	2,500,000

iii. Polyplex Corporation Limited took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of fixed assets. During the year, loss of ₹ Nil (Previous Year : ₹ 139.35 Lacs) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of ₹ Nil (Previous Year : loss (net) of ₹ 209.32 Lacs) on mark to market on outstanding derivatives as on March 31, 2016 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the fixed assets.

E. (i) During the year, Polyplex USA LLC (PU) has provided for the impairment loss of ₹ 6565.82 Lacs on its manufacturing assets, and the same is recorded as exceptional item.

(ii) During the previous year, PAPL and PE have entered into a Share Purchase Agreement (SPA) to sell their respective stake, 100% in aggregate, in Polyplex Resin Sanayi Ve Ticaraet AS,Turkey (PR) to Indorama Netherlands B.V., a wholly owned subsidiary of Indorama Ventures Public Company Limited, Thailand,(IVL). The sales transaction is executed as on 2nd March 2015, and the net loss of ₹ 4,774.79 Lacs (before minority interest), arising from sale of stake in PR, has been recorded as exceptional Item. Further, the above loss does not factor in deferred sales consideration of 6 million Euro (equivalent to ₹ 4,046.04 Lacs), which is receivable in future subject to fulfilment of certain conditions stipulated in the SPA.

F. Regarding net worth of a subsidiary (Peninsula Beverages and Foods Company Private Limited) have become negative, however financial statements have been prepared on Going Concern Basis, as this is the start-up phase of the company of its operation and management is confident about improvement in business activities in near future on the basis of new business strategies on operating plans and continuous financial support.

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

G. Operating Lease

POLYPLEX CORPORATION LIMITED

The Company has entered into operating lease agreement for a premise. Lease is not cancellable for a period of six years and renewable thereafter on mutually agreed terms.

(₹ in Lacs)

Particulars	Current Year	Previous Year
Total lease payment during the year (Recognized in Statement of Profit & Loss)	-	20.10
Minimum Lease Payments		
- Not later than one year	-	-
- Later than one year but not later than five year	-	-
- Later than five years	-	-

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED

The Company has entered into several lease agreements in respect of lease of office building space, and equipment. Future minimum rental payables under these leases as at March 31, 2016 are as follows:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Payables within		
Not later than one year	37.56	89.99
Later than one year but not later than five year	5.63	76.59
Total	43.19	166.58

H. Finance Lease Agreement

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED

A subsidiary has entered into finance lease agreements to lease equipments for use in its operation. The average term of the agreements is 5 years.

(₹ in Lacs)

Particulars	Current Year	Previous Year
Payables within		
Not later than one year	28.94	26.19
Later than one year but not later than five year	61.43	85.12
Total	90.37	111.31

I. Geographical Segment :

Information about Geographical Segment:

(i) Revenues inside India includes sales to customers located within India

(ii) Revenues outside India include sales to customers located outside India.

(₹ in Lacs)

S. No.	Information about Geographical Segments (by location of customer and assets)	India	Outside India	Total
1	External Revenue- Sales & Other Income	71,302.88	246,716.23	318,019.11
		(81,085.69)	(239,330.53)	(320,416.22)
2	Carrying Amount of Segment Assets by location of assets	60,721.75	392,172.21	452,893.96
		(68,896.47)	(395,774.22)	(464,670.69)
3	Capital Expenditure	2,428.30	2,288.19	4,716.49
		(1,455.96)	(10,468.60)	(11,924.56)

Note :- Figures in bracket ( ) indicate Previous Year figures

J. Earnings Per Equity Share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(₹ in Lacs)	2,903.83	3,794.74
Weighted average number of equity shares considered as Denominator for calculation of Basic EPS	(Nos.)	31,984,600	31,984,600
Weighted average number of equity shares considered as Denominator for calculation of Diluted EPS	(Nos.)	31,984,600	31,984,600
Basic EPS	(₹)	9.08	11.86
Diluted EPS	(₹)	9.08	11.86

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

K. Related Party Disclosures (as identified by Management)

i. Related parties with whom transactions have taken place during the year

Key Management Personnel/Key Managerial Personnel (KMP)	a.	Mr. Sanjiv Saraf (Chairman)
	b.	Mr. Pranay Kothari (Executive Director)
	c.	Mr. Ashok Kumar Gurnani (Company Secretary)
	d.	Mr. Manish Gupta (Chief Financial Officer)
Relative of Key Management Personnel	a.	Ms. Ritu Kothari
Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:	a.	Beehive Systems Private Limited
	b.	Manupatra Information Solutions Private Limited
	c.	Manupatra Publishing Private Limited
	d.	Altivolus Infotech Private Limited
	e.	Dalhousie Villa Private Limited
	f.	Bhilangana Hydro Power Limited
	g.	Kotla Hydro Power Private Limited
	h.	Punjab Hydro Power Private Limited
	i.	Abohar Power Generation Private Limited
	j.	Kanchanjunga Power Company Private Limited
	k.	Uttarakhand Hydro Power Private Limited
	l.	Utkarsh Trading and Holdings Limited
	m.	Suresh Surana & Associates, LLP
	n.	RSM Astute Consulting Private Limited
	o.	Praxis Consulting & information Services Private Limited
	p.	S. D. College Society (Lahore), New Delhi

ii. Nature of Transactions with Related Parties

(₹ in Lacs)

S. No.	Particulars	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
1	Purchase of Material / Services	-	29.70	29.19	58.89
		(-)	(29.70)	(26.19)	(55.89)
2	Services Rendered	-	-	147.42	147.42
		(-)	(-)	(148.71)	(148.71)
3	Sale of Shares	-	-	-	-
		(-)	(-)	(2.50)	(2.50)
4	Remuneration	544.98	-	-	544.98
		(398.44)	(-)	(-)	(398.44)
5	Commission to Director	28.00	-	-	28.00
		(25.00)	(-)	(-)	(25.00)
6	Expenses Recovered	-	-	126.60	126.60
		(-)	(-)	(134.38)	(134.38)
7	Director's Sitting Fees	21.40	-	-	21.40
		(11.00)	(-)	(-)	(11.00)
8	Donation Given	-	-	4.00	4.00
		(-)	(-)	(-)	(-)
9	Interest Received	-	-	166.21	166.21
		(-)	(-)	(252.33)	(252.33)
	Outstanding at year end				
10	Receivables on account of Sale of Goods / Services	-	-	8.64	8.64
		(-)	(-)	(4.35)	(4.35)
11	Deposit Recoverable	-	20.25	5.00	25.25
		(-)	(20.25)	(5.00)	(25.25)

Notes to Consolidated Financial Statements for the year ended 31st March 2016

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

ii. Nature of Transactions with Related Parties

(₹ in Lacs)

S. No.	Particulars	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
	Outstanding at year end *(contd...)*				
12	Deposit Payable	-	-	4.66	4.66
		(-)	(-)	(4.66)	(4.66)
13	Receivables on account of expenses Recovered	-	-	9.59	9.59
		(-)	(-)	(3.12)	(3.12)
14	Loan	-	-	1475.00	1475.00
		(-)	(-)	(1725.00)	(1725.00)
15	Payables	28.00	-	5.07	33.07
		(25.00)	(-)	(6.94)	(31.94)
16	Interest on Loan Recoverable	-	81.35	-	81.35
		(-)	(-)	(-)	(-)

Note: Figures in bracket ( ) indicate Previous Year figures.

Disclosure of Material Transactions with related parties:

(₹ in Lacs)

S. No.	Particulars	KMP / Relative of KMP	Enterprises over which significant influence exist
1	Purchase of Material / Services		
	Ms. Ritu Kothari	29.70	-
		(29.70)	(-)
	Suresh Surana & Associates LLP	-	17.43
		(-)	(17.43)
	Dalhousie Villa Private Limited	-	7.92
		(-)	(7.92)
2	Services Rendered		
	Beehive Systems Private Limited	-	36.00
		(-)	(36.00)
	RSM Astute Consulting Private Limited	-	32.12
		(-)	(43.74)
	Manupatra Information Solutions Private Limited	-	21.99
		(-)	(25.95)
	Suresh Surana & Associates LLP	-	15.53
		(-)	(-)
	Altivolus Infotech Private Limited	-	15.96
		(-)	(15.96)
3	Expenses Recovered		
	Beehive Systems Private Limited	-	36.44
		(-)	(36.63)
	Altivolus Infotech Private Limited	-	33.29
		(-)	(49.33)
	Manupatra Information Solutions Private Limited	-	19.89
		(-)	(16.00)
	RSM Astute Consulting Private Limited	-	15.72
		(-)	(17.90)

Note: 27 OTHER EXPLANATORY NOTES *(contd...)*

Disclosure of Material Transactions with related parties: *(₹ in Lacs)*

S. No.	Particulars	KMP / Relative of KMP	Enterprises over which significant influence exist
4	Payment to Key Managerial Personnel		
	Mr. Sanjiv Saraf	28.00	-
		(54.14)	(-)
	Mr. Pranay Kothari * #	307.22	-
		(257.26)	(-)
	Mr. Manish Gupta	185.23	-
		(71.74)	(-)
	Mr. Ashok Kumar Gurnani	52.53	-
		(39.30)	(-)
5	Donation Given		
	S. D. College Society (Lahore), New Delhi	-	4.00
		(-)	(-)
6	Interest Received		
	Utkarsh Trading and Holdings Limited	-	166.21
		(-)	(252.33)

* To the extent payable

Net of remuneration written back of ₹ 9.91 Lacs for FY 2014-15

Note: Figures in bracket () indicate Previous Year figures.

L. Remuneration paid / provided to Mr. Pranay Kothari, Whole Time Director for FY 2015-16 amounting to ₹ 314.50 Lacs (including contribution to Superannuation fund and Provident fund) and does not include payment of ₹ 1.97 Lacs and ₹ 0.66 Lacs paid towards leave encashment and medical reimbursements as per the policy of company, in terms of approval of the shareholders as per Special Resolution passed by the members on September 28, 2015, exceeds the ceiling on Managerial Remuneration as per Section 197, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules of the Companies Act, 2013 by ₹ 172.89 Lacs, for which application for approval is pending with Ministry of Corporate Affairs, Government of India.

M. Figures in the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement have been expressed in ₹ Lacs with two decimals.

N. Previous Year's figures have been regrouped / reclassified accordingly.

As per our report of even date attached

For Lodha & Co.
Chartered Accountants
(FRN: 301051E)

N. K. Lodha
Partner
Membership No. 085155

Place: New Delhi
Date: May 30, 2016

For and on behalf of the Board of Directors

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Place: Noida
Date: May 30, 2016

FORM AOC-I

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

PART "A": SUBSIDIARIES (Information in respect of each Subsidiary with amounts)

(Amount in Lacs)

Sr. No.	Name of the Subsidiary Companies and Country of Incorporation	Currency	Share Capital	Reserve & Surplus/ (Deficit)	Total Assets	Total Liabilities	Details of Investment (other than in subsidiaries)	Turnover/ Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of shareholding (Directly and/or through other Subsidiary/ies)
1	Polyplex (Asia) Pte. Ltd.,	US $	11.30	1,583.36	1,602.85	1,602.85	66.53	87.63	26.39	1.18	25.21	–	100.00%
	Singapore	INR	747.78	104,779.26	106,069.02	106,069.02	4,402.64	5,799.35	1,746.37	78.09	1,668.28	–	
2	Polyplex (Thailand) Public Company	Thai Baht	8,000.00	19,627.62	80,540.19	80,540.19	–	54,788.83	(3,587.50)	(267.99)	(3,319.51)	–	51.00%
	Ltd., Thailand	INR	15,023.12	36,858.52	151,245.65	151,245.65	–	102,887.42	6,736.93)	(503.26)	(6,233.68)	–	
3	Polyplex (Singapore)	Euro	91.45	54.04	145.54	145.54	–	0.01	(0.08)	0.00	(0.08)	–	51.00%
	Pte. Ltd., Singapore	INR	6,852.07	4,049.05	10,904.87	10,904.87	–	0.75	(5.99)	–	(5.99)	–	
4	Polyplex Europa Polyester Film Sanayi	Euro	40.36	1,582.29	1,745.41	1,745.41	–	1,016.43	168.06	3.06	165.00	–	51.00%
	Ve Ticaret A.S., Turkey	INR	3,024.05	118,556.21	130,778.30	130,778.30	–	76,158.03	12,592.23	229.28	12,362.95	–	
5	Polyplex Trading (Shenzhen) Company	YUAN	27.31	(3.86)	59.61	59.61	–	83.46	2.49	0.37	2.12	–	51.00%
	Ltd., China	INR	279.21	(39.46)	609.45	609.45	–	853.29	25.46	3.78	21.67	–	
6	PAR LLC, USA	US $	22.00	(1.15)	20.85	20.85	–	0.96	(0.13)	0.06	(0.19)	–	100.00%
		INR	1,455.86	(76.10)	1,379.75	1,379.75	–	63.53	(8.60)	3.97	(12.57)	–	
7	Polyplex America Holdings Inc., USA	US $	366.16	(4.43)	383.45	383.45	–	–	3.64	70.19	(73.63)	–	51.00%
		INR	24,230.73	(293.16)	25,374.90	25,374.90	–	–	(240.88)	4644.84	(4,885.72)	–	
8	Polyplex USA LLC, USA	US $	364.59	(261.01)	1,367.67	1,367.67	–	1,134.29	(103.95)	70.17	(174.12)	–	51.00%
		INR	24,126.84	(17,272.40)	90,505.92	90,505.92	–	75,061.94	(6,878.92)	4,643.52	(11,522.44)	–	
9	EcoBlue Limited, Thailand	Thai Baht	106.50	376.28	972.20	972.20	–	1,337.98	166.38	34.05	132.33	–	37.74%
		INR	200.00	706.61	1,825.69	1,825.69	–	2,512.58	312.44	63.94	248.50	–	
10	Peninsula Beverages & Foods Company Private Limited, India	INR	987.46	(1918.89)	123.75	123.75	41.78	64.84	(65.87)	–	(65.87)	–	100.00%
11	Polyplex Europe B.V., Netherland	Euro	2.00	2.40	33.44	33.44	–	50.81	1.78	0.36	1.42	–	51.00%
		INR	149.85	179.82	2,505.56	2,505.56	–	3,807.04	133.37	26.97	106.40	–	
12	Polyplex Paketleme Cozumleri Sanayi	TRY	1.00	2.65	85.39	85.39	–	235.86	2.43	0.49	1.94	–	51.00%
	Ve Ticaret Anonim Sirketi, Turkey	INR	23.35	61.89	1,994.26	1,994.26	–	5,508.45	56.75	11.44	45.31	–	

Note :

1 The Financial Statements of the Subsidiary Companies have been converted into Indian Rupees using the following exchange rates prevailing on March 31, 2016 : US Dollar = INR 66.18, Thai Baht = INR 1.88, Euro = INR 74.93, Yuan = INR 10.22 and TRY = INR 23.35.

2 Names of Subsidiaries which are yet to commence operations : NIL

3 Names of Subsidiaries which have been liquidated or sold during the year : NIL

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NOT APPLICABLE – Company has no Associates or Joint Ventures.

For and on behalf of the Board of Directors

Place: Noida
Date: May 30, 2016

Sanjiv Saraf
Chairman
DIN: 00003998

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

NOTES

A TRISYS PRODUCT
info@trisyscom.com

Polyplex Corporation Limited

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Corporate Office: B-37, Sector-1, Noida, Gautam Budh Nagar, Uttar Pradesh- 201 301
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