



POLYPLEX



Enhancing
the consumer experience

Focusing on leading
the industry

Shaping
the future

Polyplex Corporation Limited
32nd Annual Report **2016-17**

Board of Directors and Corporate Information

Board of Directors

Mr. Sanjiv Saraf – Chairman
Mr. Brij Kishore Soni
Mr. Jitender Balakrishnan
Ms. Pooja Haldea
Mr. Ranjit Singh
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 India
UniCredit Bank, AG
YES Bank Limited

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
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

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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.



POLYPLEX

Packaging 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 bag 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 Pokemon 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 • The shrink sleeve that prevents contamination and adds value to your cosmetic product

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





Polyplex Corporation.

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

A global, innovation-driven film packaging substrate 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 and distribution facilities 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 and 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



Polyplex enjoys a global manufacturing presence across
5 locations in 4 countries.

Polyplex caters to around

1,600 customers across 70 countries.



These customers are spread across the Indian sub-continent, Europe, Americas, the Far East, the Asia Pacific and the Middle East.

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.

Our values



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.

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 2017).

Chairman & CEO's Address



Sanjiv Saraf, *Chairman*



Pranay Kothari, *Chief Executive Officer*

Dear shareholders,

The Company's focus on consolidation and operational improvements has resulted in a significant rebound in profitability despite continued tepid market conditions. This has been possible due to better asset utilization, enrichment in product mix and cost optimization efforts besides foreign exchange gains due to favourable exchange rate movements. Even after normalizing the profitability in comparison to the previous year where there was a large one time impairment loss provision, foreign exchange losses and tax charges, there is a marked uptick in the operating margins.

Higher cash flows from operations and induction of equity post a rights issue in Thailand have resulted in a rapid decline in debt levels and the Company is today net cash positive. A strong balance sheet provides financial flexibility to access any growth opportunities. An additional metalizer in the US and a second Blown PP line in Thailand are under implementation.

Almost all the new assets added since 2011 notably the thick film line in Thailand and the thin film line in US are now running close to optimum capacity. The Thick film line has been able to garner a stable customer base across several applications especially in photovoltaic module back-sheet segment.

Sales and Other Income were almost flat at INR 33.04 billion with higher sales volume from better utilization of capacities being offset by a decline in selling prices resulting from a fall in raw material prices. The Profit (before tax and exceptional items) at the consolidated level more than doubled to INR 3.07 billion as compared to the previous year. The Profit before Tax (PBT) during the year under review was further enhanced by an exceptional gain of INR 0.56 billion on account of capital gains on sale of shares of the Thai subsidiary.

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 been successfully running a recycling plant in Thailand for processing different kinds of plastic waste – with few precedents in the industry. Apart from this, the Company regularly engages in community oriented programs across all its locations.

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
Non-Executive Director



Dr. Suresh Inderchand Surana
Independent Director



Mr. Jitender Balakrishnan
Independent Director



Mr. Brij Kishore Soni
Independent Director



Mr. Ranjit Singh
Independent Director



Ms. Pooja Haldea
Independent Director

Management Team

India



Mr. Kapil Gupta
Profit Centre Head - India



Mr. Sunil Kumar
Corporate Head - HR



Mr. Manish Gupta
Chief Financial Officer



Mr. Rajpal Yadav
Corporate Head - Projects



Mr. R.S. Gaur
Operations Head - India



Mr. R.R. Kuchipudi
Corporate Head - NPD, R&D
and Tech Services



Mr. Manoj Agarwal
Corporate Expert - Resins



Mr. A.K. Gurnani
Company Secretary



Mr. Harminder Singh
Indirect Taxation &
Administration Head - India



Mr. Rakesh Kakkar
Sales & Marketing Head
- India



Mr. Saleem Ahmad
Business Unit Head - BOPET
& Chips, India



Mr. Amarnath J. Parida
Business Unit Head - BOPP,
India



Mr. Ravindra K. Gupta
Services, PDC & Civil Head -
India

Thailand & Turkey



Mr. Amit Prakash
Profit Centre Head -
Thailand & Turkey



Mr. Vaibhav K. Jain
Business Head - Turkey



Mr. S.K. Jha
Plant Head - Thailand



Mr. Ramesh K. Gupta
Business Head - Saralam



Mr. Ashish K. Ghosh
Sales & Marketing Head -
Thailand

United States of America



Mr. Amit Kalra
Profit Centre Head - USA



Mr. Ravi Singhal
Plant Head - USA



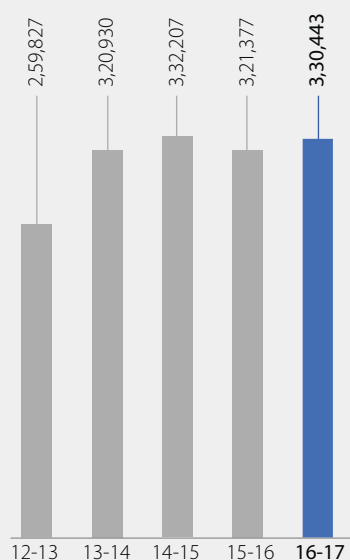
Mr. Bhavin R. Patel
Business Head - Saracote



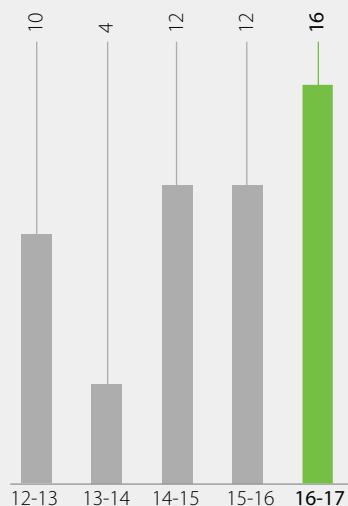
Mr. Manav S. Nim
Sales & Marketing Head - USA

Steady financial performance (consolidated)

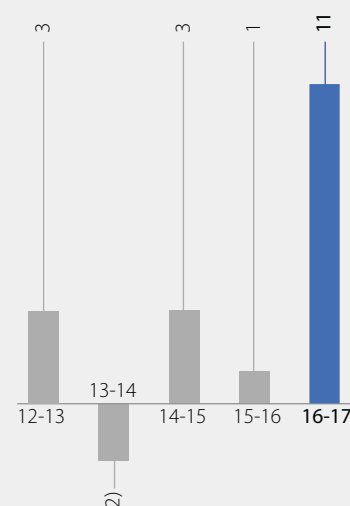
At Polyplex, our financial performance needs to be appraised in the context of the fact that we operate in a business that is impacted by volatile commodity raw material (crude) prices on the one hand and a highly competitive industry landscape on the other. Despite crude oil prices varying from USD 113 per barrel to USD 29 per barrel over the past five years, we have reported an almost stable topline during 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.



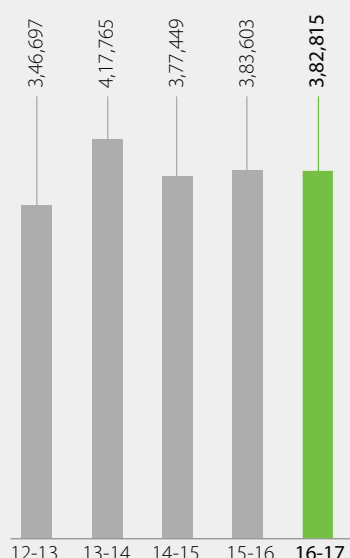
Revenues (₹ in lacs)



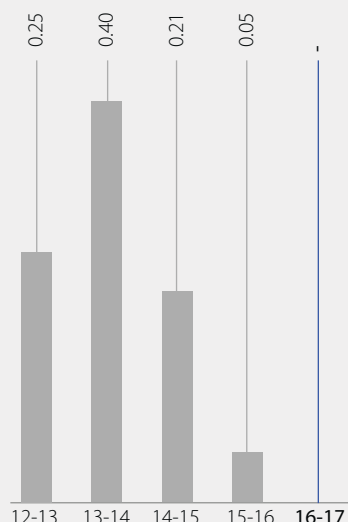
EBITDA margin (%)



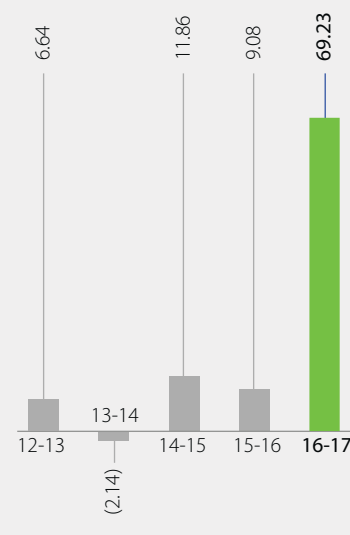
ROE (%)



Gross 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. Gross 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





28%

2016-17 revenues
derived from
top-10 customers

Enhancing the consumer experience.

At Polyplex, we provide our intermediaries, customers and their consumers innovative packaging substrate solutions addressing their everyday needs.

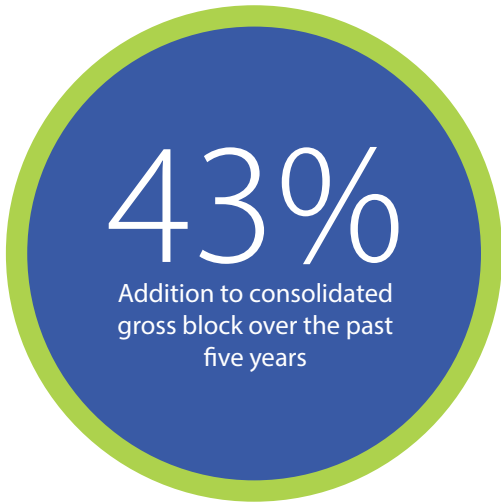
What makes us different is the passion that we bring to finding ways to continuously improve and service customers better through enhanced solutions.

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.





43%

Addition to consolidated
gross block over the past
five years

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 market share is more than 5% in the thin PET film industry which has been retained over the last five years through consistent capacity addition.

With a consolidated gross block size (including capital work in progress) of ₹3,828 crores, we have added 43% to this base 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 balances of ₹1,081 crores and unutilized working capital limits ₹490 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.

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 packaging businesses. 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 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, besides many other daily activities. The largest application of thin PET films is flexible packaging. Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies

lesser shelf space, generates relatively lesser waste and is the most cost-effective method for packaging. Better packaging not only improves the shelf life of products but is also essential for improving product appeal in a competitive consumer goods industry. Flexible packaging companies supply laminates to consumer product companies for packaging food products, household goods, and personal care products, among others.

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 lamination.

The Company's diversification into the manufacture of thick PET films is suitable for a range of industrial applications including imaging and graphics, photo-voltaic and flat panel displays.

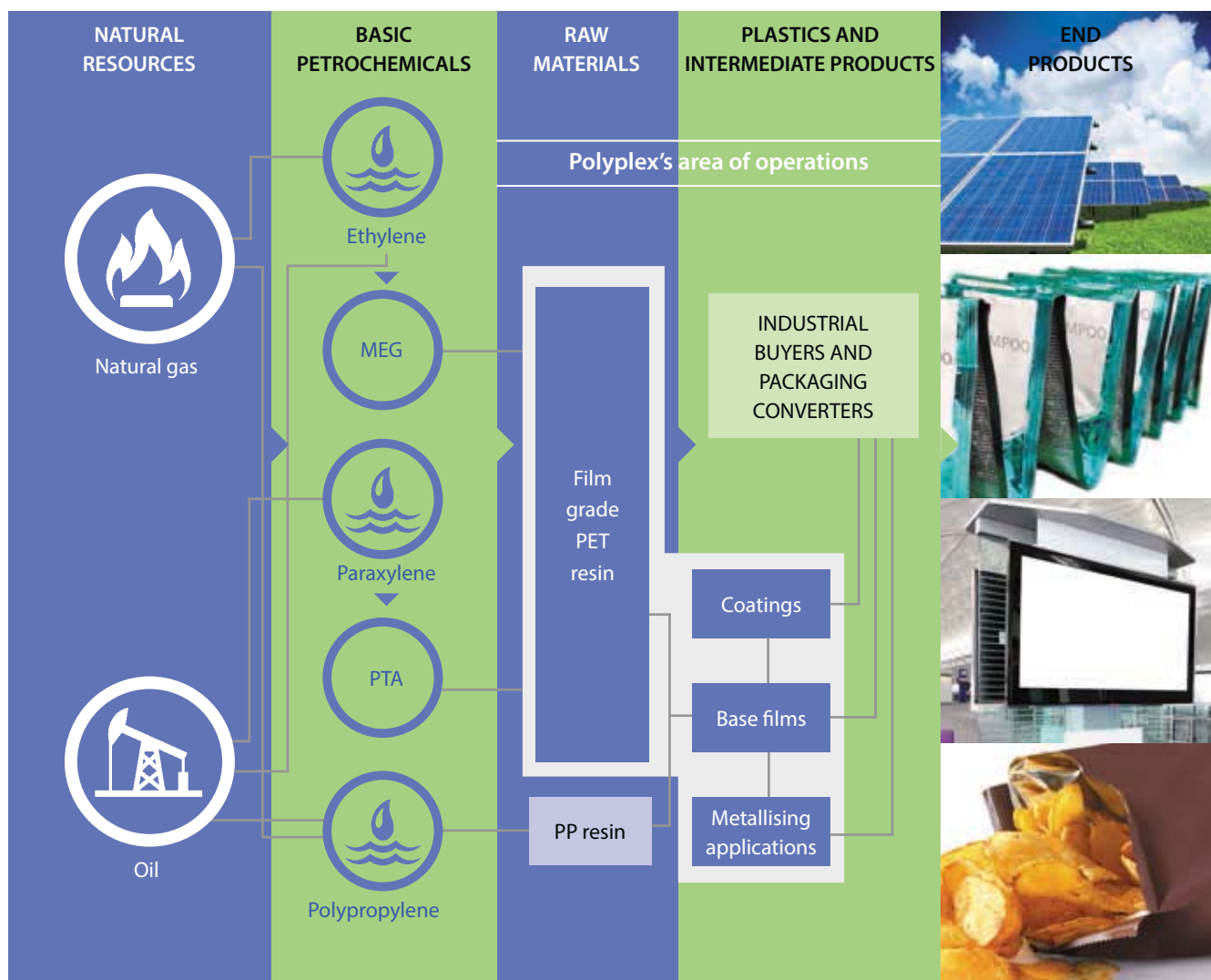
The downstream businesses like metallizing, silicone coating, extrusion coating and offline chemical coating has enabled Polyplex to offer products for a variety of applications - general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of other industrial applications like hot stamping foil, flexible air-conditioning ducts, book lamination, yarn, etc. The Blown PP line in Thailand has helped expand the product line of the downstream silicone coated films. The Company also introduced an

innovative non-tearable polyester film in India designed especially for digital print media segments like photo albums, commercial printing, promotional and customized digital printing, labels and flexible packaging applications.

One of the Company's other ventures is 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 Purified Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). 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 has traditionally operated only 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 technology segments like magnetic media, printing media and imaging segments now constitute less than 1% of the total consumption of thin PET films.

The Thick Film line which was started in FY2013-14 in Thailand has enabled Polyplex to straddle the entire spectrum of end-uses by accessing the traditional

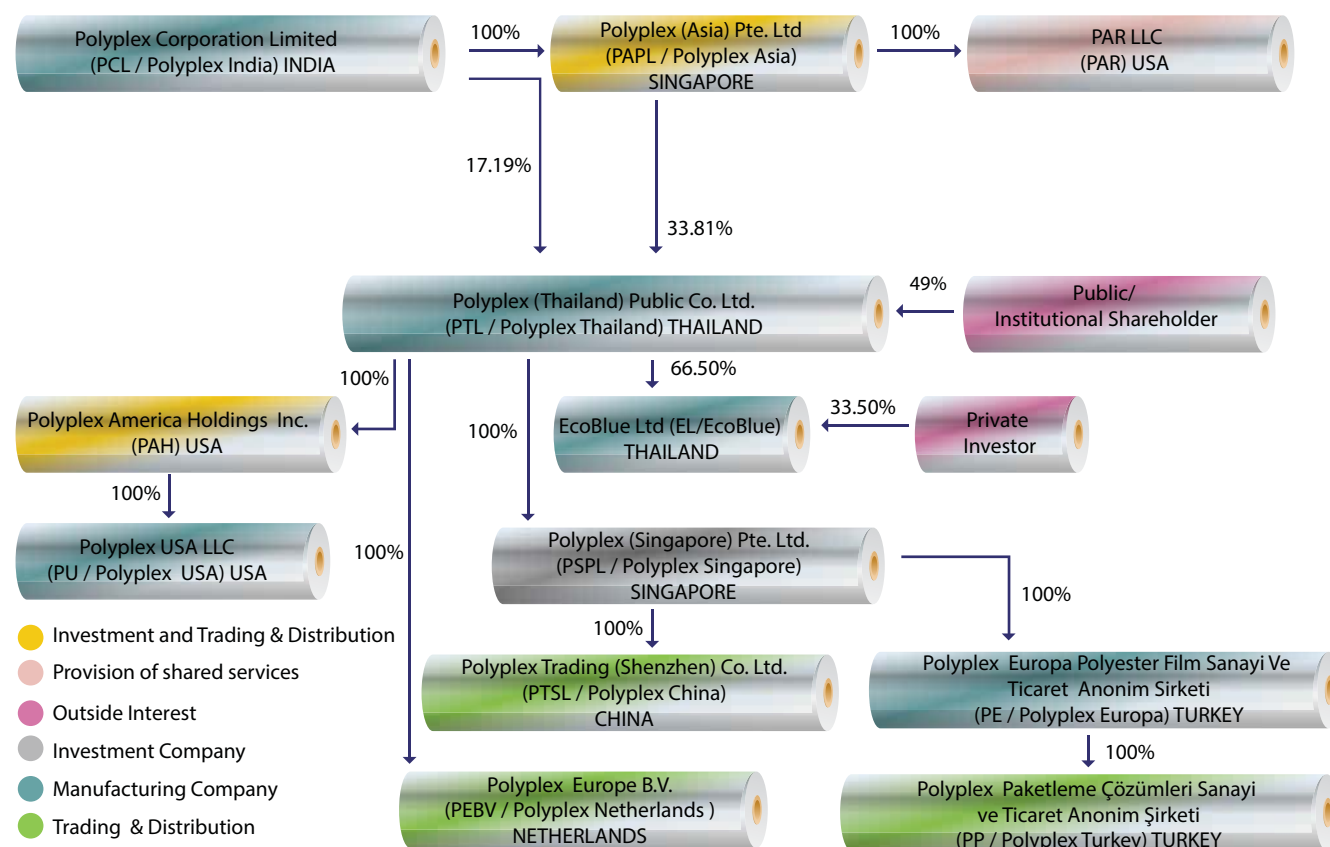
industrial and electrical applications for thick films. The Company has also made significant progress in catering to several new and promising applications in optical and photovoltaic segments. The first film line in India which was revamped in December 2011 to produce intermediate thicknesses as well as specialty films also contributes to the Company's growth/ margins.

Global operations

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

The current Polyplex Group structure

POLYPLEX GROUP- STRUCTURE



Note: In February 2017, Polyplex India sold its entire equity stake in Peninsula Beverages & Foods Company Private Ltd., a wholly owned subsidiary company, consequent to which it ceased to be a subsidiary.

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 33.81% as of 31st March 2017. PAPL is inter-alia engaged in trading various petrochemical-based products. The issued and paid-up capital of PAPL as of March 31, 2017 was USD 1.13 million.

PAR LLC (PAR)

PAR LLC is a United States Limited Liability Company incorporated in Texas in May 2011. The Company is 100% owned by PAPL. PAR was set up for providing shared services to group companies. The issued and paid-up capital of PAR LLC as of March 31, 2017 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 film. 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. PCL's stake in the Company is currently at 51% including the indirect stake of PAPL. The issued and paid-up capital of PTL as of March 31, 2017 was THB 900 million.

Polyplex (Singapore) Pte. Ltd. (PSPL)

PSPL was established in July 2004 as a wholly-owned subsidiary of PTL, which has further invested in Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Şirketi (PE) and Polyplex Trading (Shenzhen) Co. Ltd (PTSL). The issued and paid-up capital of PSPL (including Preference Share Capital) as of March 31, 2017 was Euro 9.14 million.

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

PE was incorporated as a 100% owned subsidiary Company of PSPL in September 2004 for setting up a green-field polyester film plant to cater to the European and other proximate markets. The issued and paid-up capital of PE, including additional contribution from PSPL, as of March 31, 2017 was Euro 8.83 million.

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 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 fastest growing markets in this industry. The issued and paid-up capital of PTSL as at March 31, 2017 was USD 0.4 million.

Polyplex Americas Holding Inc (PAH)

In August 2011, PTL invested in setting up a 100% owned Investment and Trading & Distribution subsidiary in USA 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, 2017 was USD 46.62 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 to North America by setting up a thin PET film line, a continuous process PET chips plant and metallizing capacity. The members' contribution, which represents the paid-up capital of PU, was USD 46.21 million as on March 31, 2017.

EcoBlue Ltd. (EL)

EcoBlue Ltd. was established as an 80%

subsidiary of PTL in October 2012 in Thailand to provide end-of-life solutions for film-based process waste. As of 31st March 2017, PTL held 66.5% in EcoBlue Ltd. The paid-up capital of EcoBlue Ltd as on March 31, 2017 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 better service EU customers. The paid-up capital of PEBV as on March 31, 2017 was Euro 0.2 million.

Polyplex Paketleme Çözümleri Sanayi ve Ticaret Anonim Şirketi (PP)

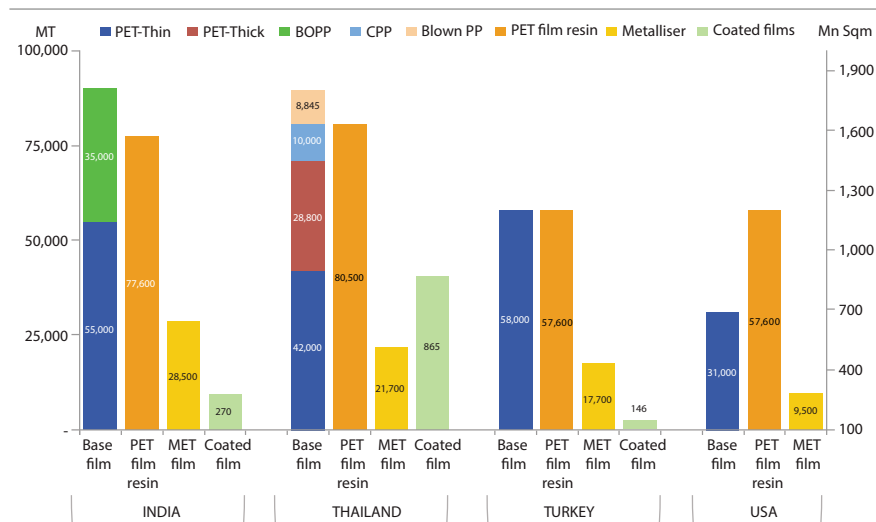
In September 2013, PE established a fully-owned subsidiary in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret Anonim Şirketi (PP), with the objective to trade in PET films, PET chips and other products. The registered share capital of this Company was Turkish Lira 100,000 as of March 31, 2017, (fully called and paid-up).

The Thick Film line which was started in FY2013-14 in Thailand has enabled Polyplex to straddle the entire spectrum of end-uses by accessing the traditional industrial and electrical applications for thick films.

PRODUCTION CAPACITIES

The manufacturing capacities of various locations:

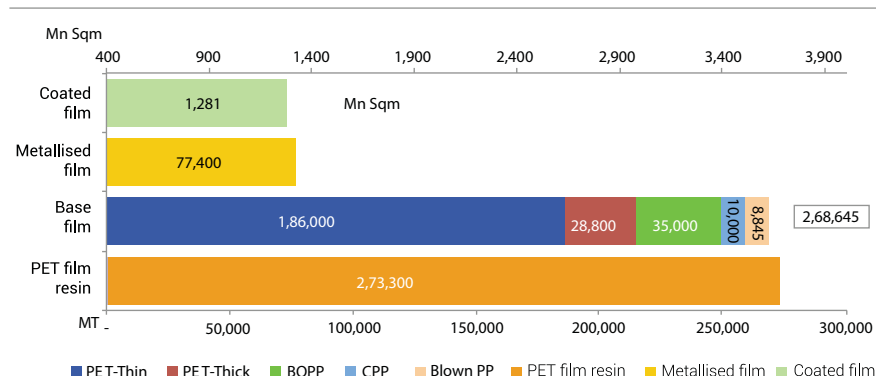
Polyplex Group Capacity



Note:

1. Base Film, Resin and Metallized Film in metric ton; Coating Capacity in million sqm.
2. The Board of Investment (BoI) - approved capacity in PTL, Thailand is:
PET films (48,000 tons), PET chips (85,000 tons), Metallized films (29,400 tons) and Coated films (1,090 million sqm).
3. The above graph includes the proposed investments (which are under implementation) for a new replacement metallizer in USA and a second Blown PP line in Thailand.

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 micron whereas films below 50 micron are characterized as thin film. In recent years, several intermediate thickness lines (with thickness ranging between 8-150 micron) have also been installed. The PET film industry has seen various structural changes over the years with Asia now dominating production and consumption. Film producers from Asia (mostly headquartered in India) have become major global players.

Thin PET film market

The largest application of thin PET films is flexible packaging, which accounts for 72% of the total thin film used. Flexible packaging plays a key role in source reduction based on the principle of 'use less packaging material in the first place'. This has resulted in higher-than-GDP growth in the global flexible packaging industry. PET film, being a higher-end preferred substrate within packaging, 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, usage of which are non-discretionary in nature. This packaging segment characteristic has resulted in steady demand growth, despite recurring economic turbulence.

An increase in purchasing power in developing countries has been accompanied by a rise in per capita packaging material consumption. The key demand growth drivers in these regions comprise an increase in organized 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 developing countries is still low.

Asia is the largest market for thin PET films, accounting for more than three quarters of global consumption. Growing Asian demand is the main driving force in the global markets. 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. These companies are now the global leaders in terms of both volume and pricing in the commodity sector. This has impacted traditional large producers of PET film operating with high cost structures, who have

chosen to concentrate on niche technology oriented segments 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.

Since 2010/11, the thin PET film industry has been beset with a supply overhang. This is expected to continue for atleast another couple of years.

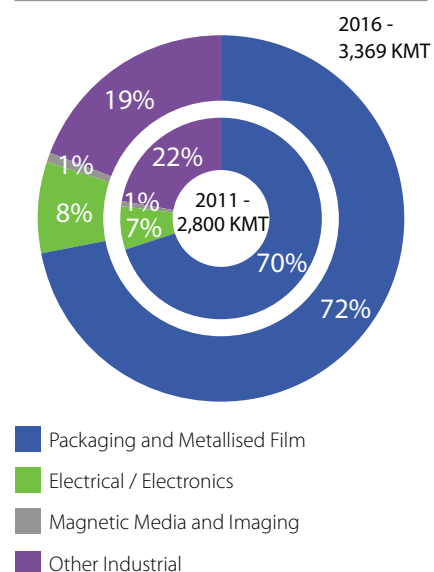
Global thin PET film growth is expected at about 6-7% for the next few years; demand in India and 'Other Asia' is growing at 9-10%. Companies with consistent quality products, diversified product portfolio, access to international customers and stronger supply chains stand a better chance of participating in market growth and delivering margins above the industry average.

During 2007 to 2011, global average capacity utilization in thin PET films was in the range of 80-90% of rated or nameplate capacity. Since 2012, the utilization rates have declined sharply and have been around 70% over the last two years due to excess capacity build up. Levels between 80-90% can be considered high and close to the full producible capacity. In practice, some producers produce lower than the nameplate capacity as the assets are older and inefficient while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their expertise and experience.

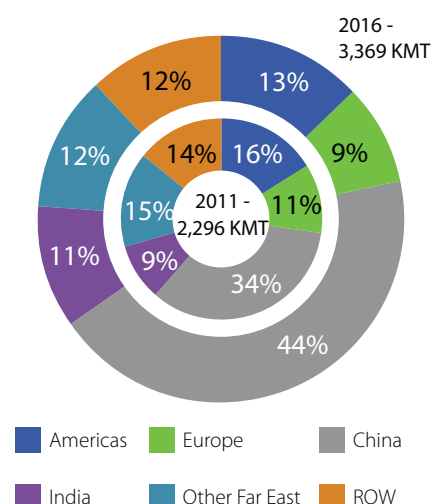
Thick PET film

The demand for thick PET film is concentrated in Central and

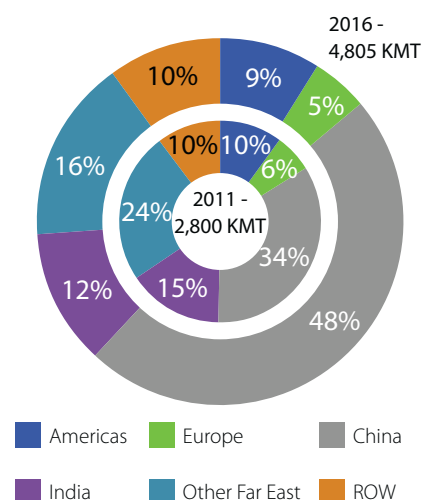
Global Thin PET film demand by end users



Global Thin PET film demand by Region

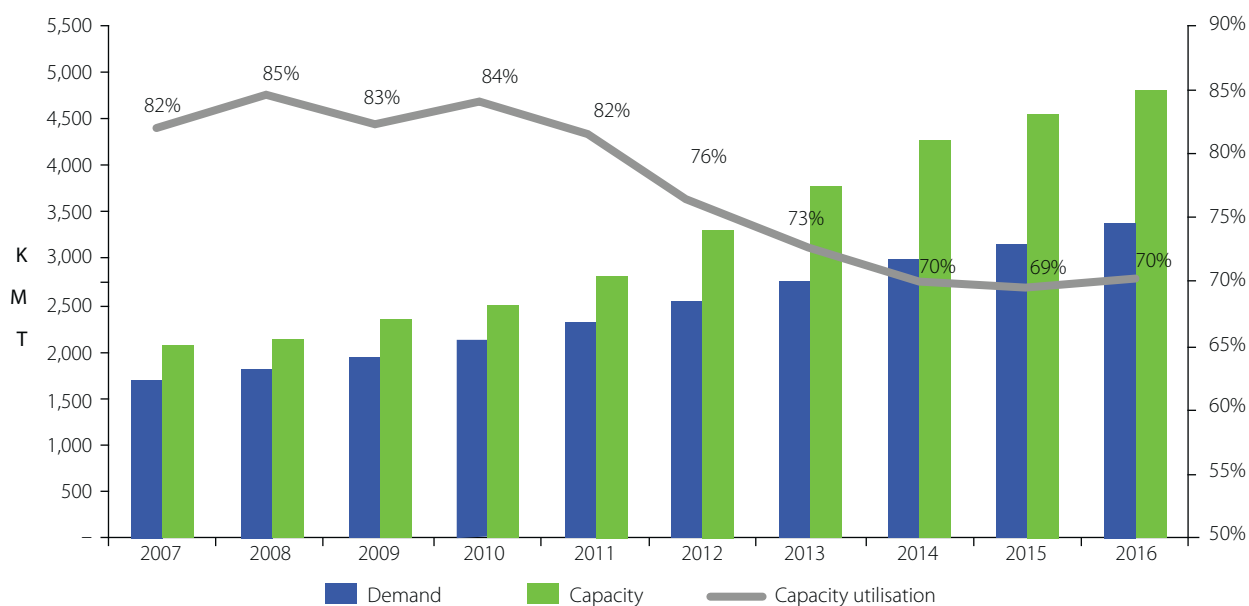


Global Thin PET Film capacity by Region



The trend in global capacity utilization for Thin PET film is as under:

Global Thin PET film (%)

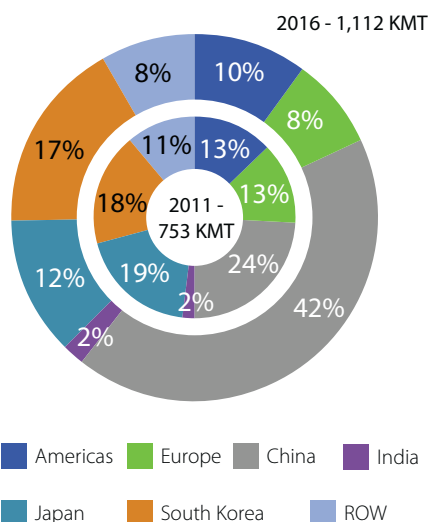


Source: Updated Company estimates

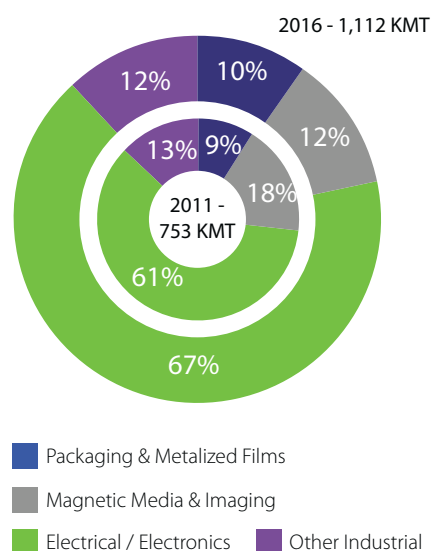
East Asia regions, which account for around 78% of the global consumption. Electronics and electrical applications are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of about 8-9 % over the past few years. Global growth has been apparent in all end use sectors with the exception of the medical/other X-ray. Over the past few years, China has emerged as the largest market for thick PET films with a market share of more than 40%. New innovation and applications like Flat Screen panel, photovoltaic etc. are driving growth, which should help the industry grow at a CAGR of about 5-6% in the medium-term.

Similar to the thin PET film business, the capacity addition of thick PET film in China has been significant, followed by South Korea. Producers in Japan, Europe and USA constituted only around 26 % of world capacity in 2016.

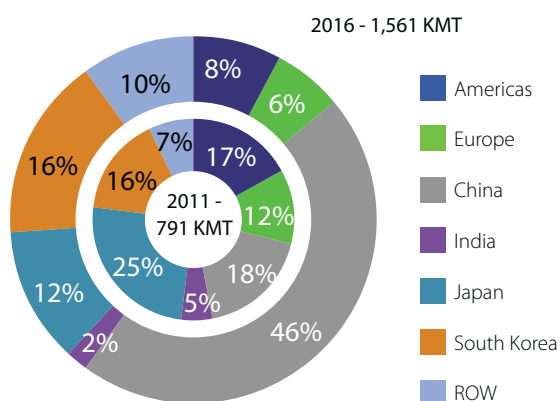
Global Thick PET film demand by region



Global Thick PET film demand by end use



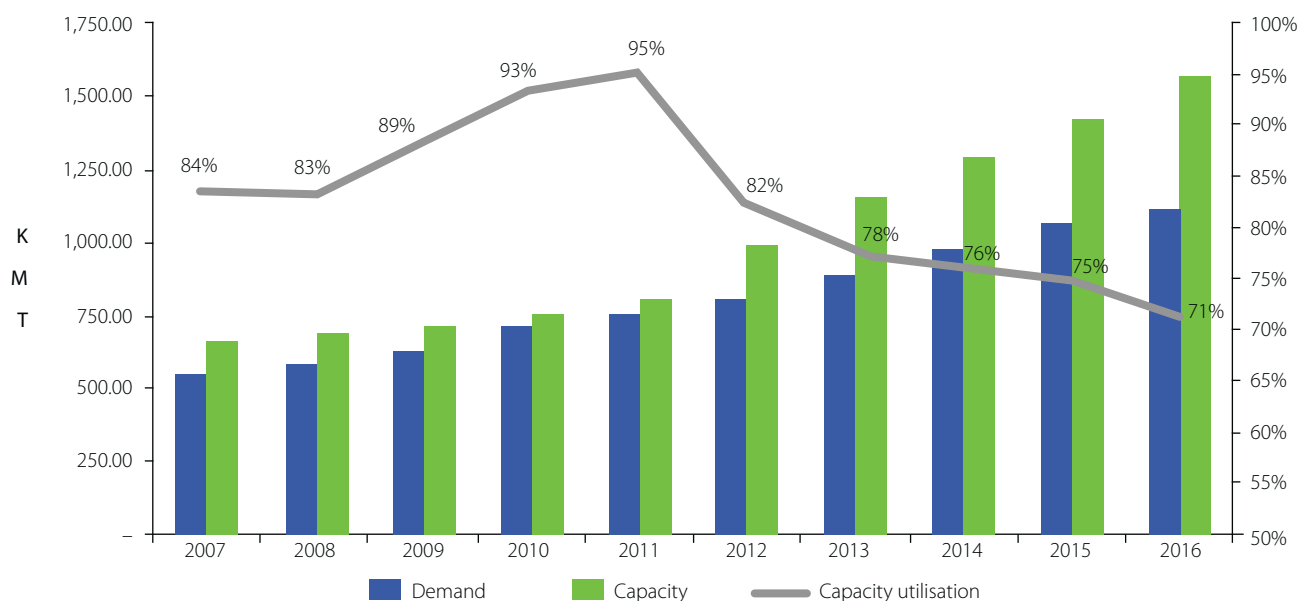
Global Thick PET film capacity by region



Source: Updated Company estimates

The trend in global capacity utilization for thick PET film is as under:

Global thick plain PET film capacity



Source: Company estimates

Upto 2011, global average demand increased at a CAGR of 8% whereas capacity increased at a CAGR of 5%, strengthening utilization rates. Since 2011, the increase in capacities was substantial at a CAGR of 16-17% whereas the demand increased only by 8-9%, resulting in excess supply and lower utilization levels.

Demand drivers for plastic films



Population growth



Urbanisation



Improved quality of life



Increasing environmental awareness



Increasing consumerism

Population growth: According to a UN report, the world population of 7.3 billion is expected to reach 8.5 billion by 2030, 9.7 billion in 2050 and 11.2 billion in 2100.

Urban population: Urban population will continue to rise at nearly twice the pace of total population growth and it is projected that by 2050, about 66% of the world's population will be urban. About 90% of the continuing population growth and urbanization is expected to be concentrated in Asia and Africa.

Improved quality of life: With growing life expectancy and quest for quality, consumers are expected to move towards packaged product consumption.

Increasing environmental awareness: Owing to increasing global environmental awareness, PET films are gaining popularity owing to lower environmental impact (recyclable, emitting lower greenhouse gases and lighter in weight).

Increasing consumerism: The income growth has led to an increase in global consumer spends, influencing in turn the PET film industry. The projected growth for 2030 suggests world per capita GDP growing to around USD 14,000 from USD 10,000 in 2016.

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 360,000 tonnes for FY2016-17. During FY2017-18, growth of 10-12% is expected, with similar growth in the flexible packaging industry. The total current capacity of BOPET thin films in India is about 660,000 tonnes per annum with some of the surplus being exported. The Indian BOPP market in FY2016-17 is estimated at about 384,000 tonnes per annum with a current capacity of 700,000 tonnes. Demand is expected to grow at around 9-10% 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 are relevant. The long-term fundamentals of these businesses 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 siliconized polyester release liner include release liner for adhesive tapes, cast polymer materials, 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 & Stick' liner segment for the roofing market in North America and Europe). The Company has also ordered a second Blown PP/PE line in Thailand in order to enter into new segments/new applications which the Company is currently unable to fully cater to due to capacity constraints.

The extrusion coating business involves a combination of PET/BOPP film with an extruded adhesive layer to produce thermal lamination film. Thermal lamination film is used for laminating printed documents on one/both sides to improve durability and aesthetics of the printed documents. The principal uses comprise teaching aids, maps, certificates, posters, menu cards, book covers, carton board boxes, reflective insulation and food packaging. PTL is successfully running both extrusion coating lines and has expanded sales in markets beyond USA/EU.

Offline coating business

Polyplex has successfully commercialized various specialty offline coated products for both packaging and industrial segments during the year. These include specialties like transparent barrier films, lidding films, digital print medium, etc.

Digitization is rapidly growing in various application segments like labels, shrink

sleeves, flexible packaging, graphics, etc. Polyplex has taken up various digital print medium development programs to provide total solutions for graphics, display and packaging segments. These products are suitable for both dry toner and liquid inks.

Polyplex is actively participating with HP Indigo on Pack Ready programs by providing special base films. Digital printing technology enables customers to improve operating efficiencies and just-in-time deliveries and build incremental businesses and is a cost-effective solution for short run jobs.

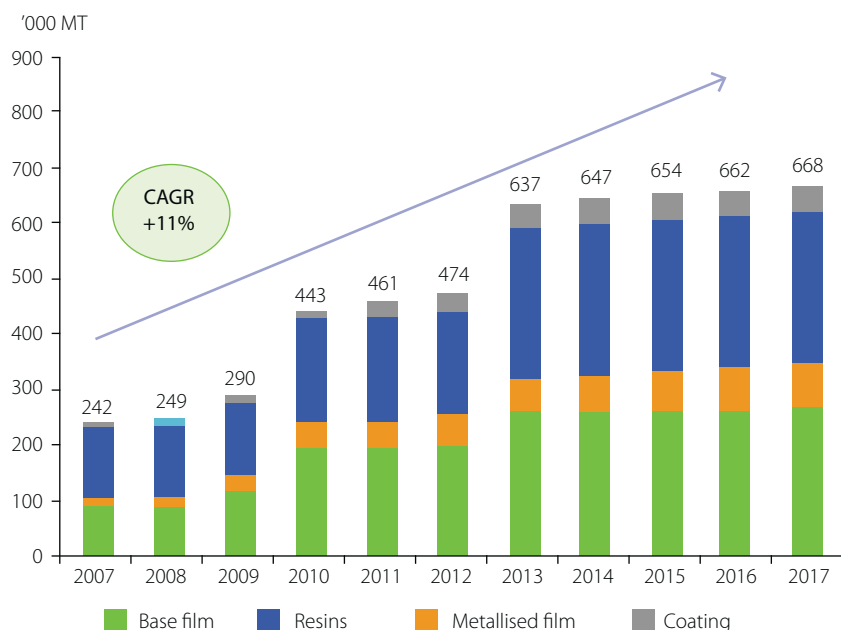
Strategy

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

- Manufacturing or distribution presence in key regional markets (India, Thailand, Turkey and USA) and distribution operations in two countries (China and the Netherlands). The warehouses in Poland, Spain, Germany, Mexico and Italy and liaison offices in Malaysia and Korea have strengthened our global delivery capabilities.
- Diversification has helped the Company to establish itself as a complete packaging substrate provider. The investments into CPP line, Thick PET film line and Blown PP line in Thailand and BOPP line in India were steps in this direction.
- The Company accelerated investments in niche downstream products to exploit synergies, broad-base 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 such downstream investments. The planned investment into Holography machines in India will present further opportunities for growth.
- The manufacturing facilities were integrated around high productivity assets to enhance competitiveness.
- Continuous improvements (productivity

Cumulative capacities

This strategy has resulted in continuous growth (CAGR of 11% in capacity over the past 10 years).



Note:

- Coater capacities converted into MT based on current product mix.
- Figures for 2017 include the proposed investments (which are under implementation) for a new replacement metallizer in USA and a second Blown PP line in Thailand.

and cost optimization) were made through the use of rice husk boilers for heating instead of expensive furnace oil, packing and freight cost reductions, quality improvements and waste reduction and standardization of business processes, etc.

- Systems were created and strengthened to enhance cross-learning and sharing best practices/benchmarking across various units and businesses of the Group to enhance efficiency and synergy.
- Technical services and new products were developed by leveraging in-house R&D capabilities and experience.
- Focus on innovation and collaborative application development has helped the Company become a preferred supplier/partner with several large multinational customers.
- A liquid and strong Balance Sheet enhanced flexibility to address growth opportunities.
- A plant in Thailand helped recycling in-house and sourced plastic waste addressing growing concerns and for directional needs of our businesses.

Despite the challenging environment, the

Company continues to identify growth avenues and is poised to enhance long-term shareholder value.

Business process excellence

To enhance our competitive advantage and differentiation, the Company has been continuously investing in Business Process Improvement and Excellence programs. A BPE (Business Process Excellence) team was formed to undertake several Group-level initiatives for optimizing costs in the areas of freight, packaging and inventory management, electrical and thermal energy consumption, indigenization of spares, CRM and customer complaint handling. The benefits from these BPE programs have been continuously accruing over the last 2-3 years and incremental benefits are expected in the future as well.

Projects

The following projects are under implementation:

- 1. New metallizer in USA** – In order to expand capacity and to upgrade technology, a new metallizer with an annual capacity of 6,000 MT has been ordered for Polyplex USA. It is expected

to be commissioned by March 2018 and replace an existing asset which is old and inefficient. This will enable Polyplex USA to create differentiation through improved product/customer mix and generate better margins.

- 2. New Blown PP line in Thailand** – In order to cater to growing demand, a second Blown PP line with an annual capacity of 4,200 MT has been ordered by Polyplex Thailand. It is expected to be commissioned by June 2018. This would further diversify the product portfolio and enable higher value-added sales mix.

A new metallizer which was under implementation in India has been successfully commissioned in August 2016.

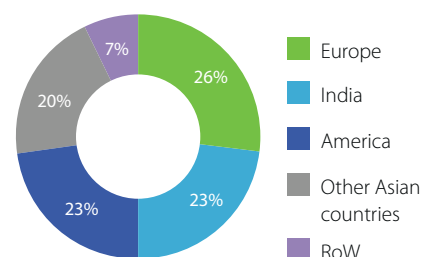
Performance during the year

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

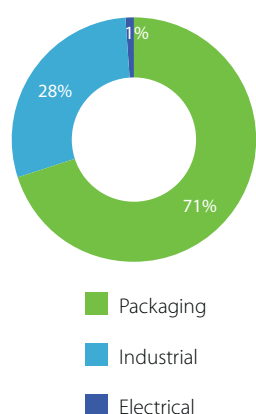
Sales and operations

The Company possesses a large 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 28% of revenues in FY2016-17. Further, a majority of this revenue was contributed by big distributors where the risk is even more spread out among a large number of end users. Almost 65% of the Company's revenues were from PET films (Thin and Thick) in FY2016-17. Of the total sales of the group, 61% was accounted by end-users. The breakup of the Company's revenues from various regions, operating companies, business segments and applications is given below:

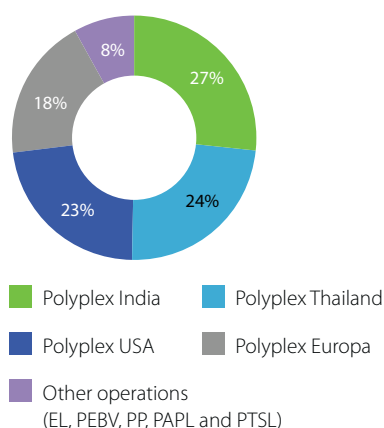
Region-wise breakup of sales



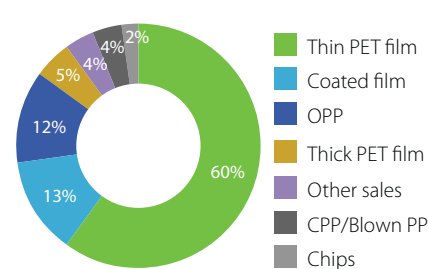
Application-wise breakup of sales



Operating company-wise breakup of sales



Business segment-wise breakup of sales

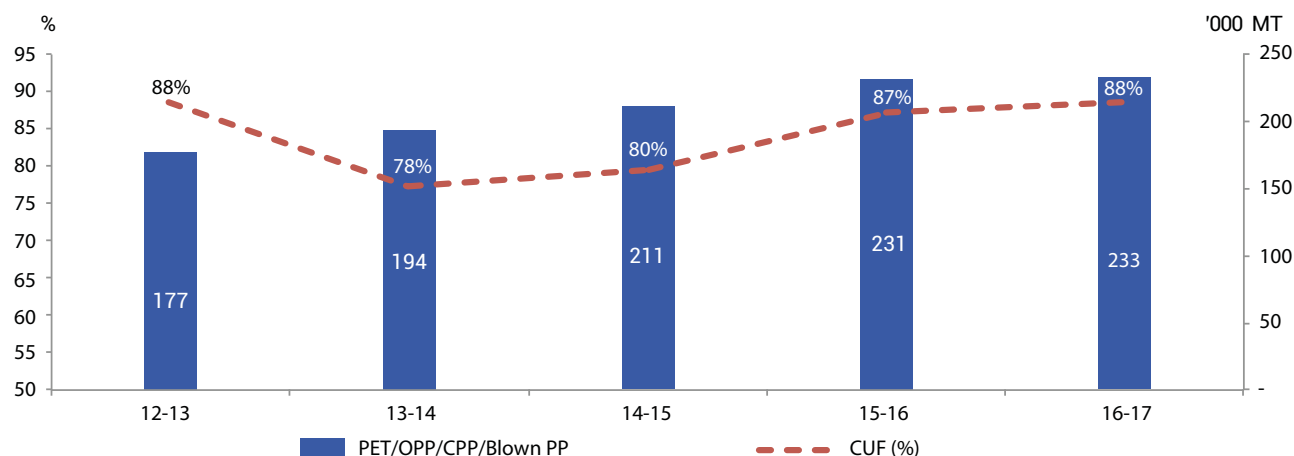


Note:

1. Other sales in the graph above comprise scrap sales and trading sales of non-manufactured products.
2. Other sales and Chips sales have not been considered in the application-wise breakup of sales.

During the year under review, the capacity utilization for base films has increased slightly. The trend in production and utilization levels for all base films (PET/CPP/Blown PP) in aggregate is as under:

Base Films Production and Capacity Utilisation



Note: Minor revision in numbers has been done for previous years.

Financial performance

A snapshot of the Income Statement for the last two years is given below:

Particulars	2016-17			2015-16			Change (y-o-y)
	(₹ in lacs)		% of total expenses	(₹ in lacs)		% of total expenses	
Sales & Other Income	3,30,443	100%		3,21,377	100%		3%
Manufacturing Expenses	2,23,157	68%	75%	2,19,261	68%	71%	
Operating and other Expenses	52,798	16%	17%	63,430	20%	21%	
EBITDA	54,488	16%		38,686	12%		41%
Interest & Finance Charges	3,542	1%	1%	4,808	1%	2%	
Depreciation and Amortization	20,216	6%	7%	20,896	7%	7%	
Income Before Income Tax	30,730	9%		12,982	4%		137%
Exceptional Gain / (Loss)	5,628	2%		(6,566)	(2%)		
Provision for Income Tax	1,246	0%		4,792	1%		
Net Income (Before Minority Interest)	35,111	11%		1,625	1%		2061%
Minority Interest	12,968	4%		(1,279)	0%		
Net Income (After Minority Interest)	22,144	7%		2,904	1%		663%



During the year under review, there was a net increase in EBITDA by 41%. This was mainly on account of foreign exchange fluctuation gains amounting to ₹6,707 lacs during the current year as compared to foreign exchange fluctuation losses of ₹5,779 lacs during the previous year. These foreign exchange differences mainly arise as a result of gains/losses arising from reinstatement of long-term loans which are charged to the Profit and Loss account in overseas group entities as per local accounting regulations. Additionally, there was higher contribution from the value-added businesses which was partially offset by marginally lower sales volumes in base film businesses. Other factors contributing to higher EBITDA are lower selling and administrative expenses resulting from various ongoing cost-saving initiatives.

During the year under review, there was an exceptional gain arising from partial stake sale in Polyplex (Thailand) Public Company Limited, Thailand (PTL) held by Polyplex (Asia) Pte. Limited, Singapore. During the previous year, the exceptional items related to the impairment provision on

the manufacturing assets held by Polyplex USA (PU).

Tax expenses during the previous year were largely due to reversal of the deferred tax asset created in earlier years in the US operations.

Sales and other income

The topline for the period under review is static as compared to the previous year.

Other income during the year increased due to forex gains (net) during the current year, as against forex losses (net) during the previous year. These forex losses were grouped under other expenses. Other income also includes interest income generated through deployment of surplus cash in low-risk bonds and fixed deposits.

The break-up of sales and operational income reveals that 65% of the overall revenues are derived from thin/thick PET films (70% in FY2015-16), 2% from PET chips (2% in FY2015-16), 13% from coating businesses (11% in FY2015-16), 12% from BOPP films (11% in FY2015-16) and 8% from CPP films/Blown films/other sales (6% in FY2015-16).

Manufacturing expenses

Manufacturing expenses increased by 2% in absolute terms due to impact of trading sales. Further, power and fuel costs and packing costs reduced marginally due to cost-saving measures.

Other manufacturing costs like stores and spares and repair and maintenance costs together have decreased slightly as there were certain lumpy expenses incurred during the previous year arising from scheduled maintenance activities.

Operating and other expenses

Operating and other expenses in absolute terms have decreased by 17%. Other expenses during the previous year include foreign exchange fluctuation loss (net) as compared to gain in the current year. These forex losses are grouped under other expenses. Operating and other expenses like personal expenses, selling expenses and administrative expenses are lower due to various cost saving measures undertaken by the Company, the gains from which are now reflecting in the financials.

Sales and other income

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)	Change (y-o-y)
Sales	3,17,970	3,17,045	0%
Other income	12,473	4,332	188%
Total	3,30,443	3,21,377	3%

Manufacturing expenses

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)	Change (y-o-y)
Raw materials consumed (Including stock accretion/decretion)	1,81,076	1,75,468	3%
Power and fuel	19,196	20,049	-4%
Packing material consumed	12,489	13,044	-4%
Stores and spares consumed	7,821	7,718	1%
Repairs and maintenance	2,575	2,983	-14%
Total manufacturing expenses	2,23,157	2,19,261	2%
Manufacturing expenses as a percentage of sales and other income	68%	68%	

Operating and other expenses

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)	Change (y-o-y)
Personnel expenses	29,344	29,515	-1%
Administrative expenses	8,778	11,162	-21%
Selling expenses	14,420	16,739	-14%
Other expenses	257	6,014	-96%
Total operating and other expenses	52,798	63,430	-17%
Operating and other expenses as a percentage of sales and other income	16%	20%	

Interest and finance charges

	2016-17 (₹ in Lacs)	2015-16 (₹ in Lacs)	Change (y-o-y)
Interest expense	3,383	4,604	-27%
Bank and other financial charges	159	204	-22%
Total interest and finance charges	3,542	4,808	-26%
Interest and finance charges as a percentage of sales and other income	1.5%	1.7%	

Interest and finance charges

Financial expenses are lower than the previous year due to progressive repayment/prepayment of loans across the group 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 ₹157,101 lacs (including unutilized working capital limits of ₹48,950 lacs liquid current investment of ₹128 lacs and liquid non-current investment of ₹9,847 lacs) as at the end of the reporting period.

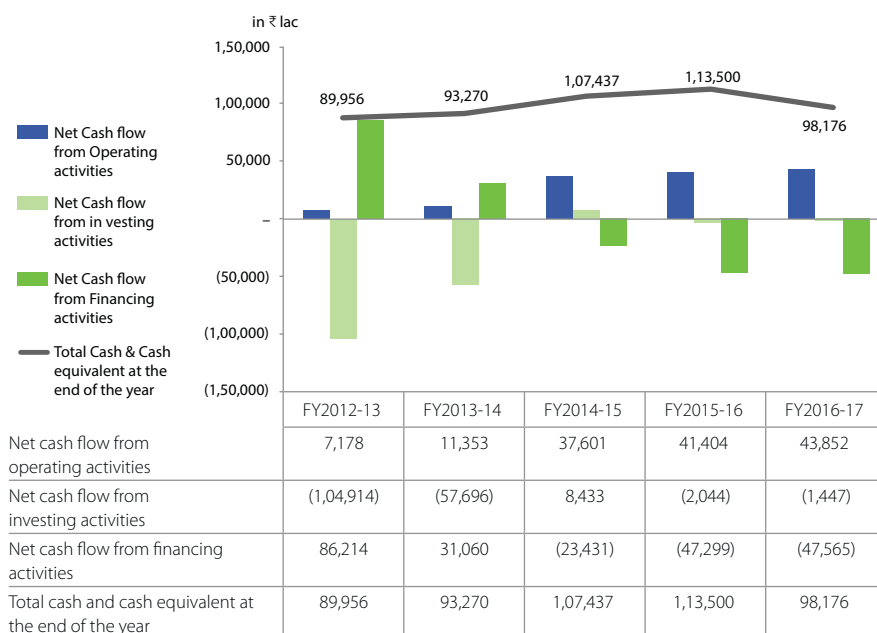
Cash flow from operations

For the year under review, cash-flow from operating activities has increased to ₹43,852 lacs on account of better margins as well as lower operating costs which is partly offset by increase in net working capital invested in the business.

Cash flow from investing activities

The cash generated was used in investments in fixed assets to the tune of ₹7,194 lacs in FY2016-17 (₹5,186 lacs in FY2015-16) mainly towards smaller investments in various locations and ₹9,847 lacs in FY2016-17 (Nil in FY2015-16) towards investments in bonds. Inflow of ₹6,570 lacs is due to partial stake sale in a subsidiary company in Thailand. Interest income received during the year is ₹3,952 lacs (₹2,245 lacs in FY2015-16). During the year, value of minority interest increased by ₹4,989 lacs (decreased by ₹1,092 lacs in FY2015-16) mainly arising as a consequence of a Rights Issue in Thailand.

Cash flows for last five financial years



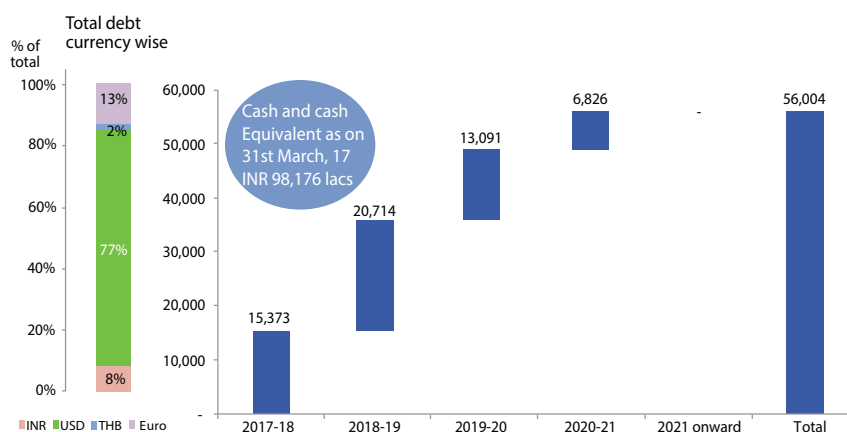
Cash flow from financing activities

During the year, a net amount of ₹45,083 lacs was repaid/prepaid (after accounting for fresh borrowings) against long-term and short-term debt (₹41,629 lacs net repaid/prepaid in 2015-16). Interest paid during the year was ₹3,585 lacs (₹4,868 lacs in 2015-16). The Company paid dividend of ₹1,891 lacs in FY2016-17 (₹802 lacs in 2015-16).

Debt profile

Total debt as on March 31, 2017 is ₹81,245 lacs, a decrease of ₹48,159 lacs over the previous year (₹129,404 lacs). This is mainly due to scheduled principal repayments, some prepayments of term debt in Group companies, reduction in working capital borrowings and due to reinstatement impact of FX borrowings.

Term loan repayment schedule (₹ in lacs)



Sustainability

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

- Operationalized latest technologies to save power across plant locations which resulted in substantial improvements in terms of energy efficiency.
- Through its R&D initiatives, Polyplex has promoted the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films.

- Dedicated recycling unit in Thailand which provides sustainable solutions for plain and coated film waste.
- Reduced waste generation through the re-use of process trims.
- Reduced greenhouse gas generation by using husk-fired heaters at its Indian facilities.
- Switched to LED lighting across plants.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have 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

Note: In the US, for some of these certifications, this process is underway and shall be implemented soon.

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



Corporate social responsibility

Corporate social responsibility has been an important part of the mission of the Company. The Company has been undertaking various initiatives towards the communities in which it operates and the quality of life of its employees.

At its Khatima plant, the 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 Bazpur 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. 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 Directors' Report section.

Innovation

Polyplex's innovation center has adopted a 'lean innovation model' in order to create enduring value for customers. It aims to provide more than a new product or a substrate. Polyplex's innovation center has introduced value-added products in several areas through 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 developing new products and applications and embracing new technologies which not only cover existing but also new growth segments.

- **Product and application development programmes:**

The purpose of this programme is to continuously come up with differentiated products and applications. Innovation in this area is mainly based on developing new functional surfaces and properties for PET and PP-based products based on future needs of 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 substrate 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, etc.

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 high-adhesion films for metallic surfaces, transparent barrier films for food packaging, especially-coated PET films and specialized films for print media suitable for digital printable and UV inks, among others.

Leading its way to a sustainable future, Polyplex has come up with several projects focusing on CO2 footprint reduction. Digital printing offers high-quality graphics without the usage of solvents unlike conventional printing techniques such as Flexo and Rotogravure. With a lot of technologies available for digital printing itself, Polyplex has been able to develop products for most segments suitable for different digital technologies such as inkjet, dry toner, liquid electro-photography, etc.

Another project focused on sustainability was an attempt to convert general packaging laminate structures from 3 layers to 2 layers, which basically contributes to both source reduction as well as CO2 footprint reduction. With this idea in mind, Polyplex now has a high barrier PE which is successfully being used in shampoo and detergent packaging where it essentially converted a 3 layer structure to 2 layers.

Today, consumers have become highly demanding and are looking for more and more convenience features in packaging formats. "Reclosability", "Easy to tear" and "Save for later" have become regular concepts in the packaging market.

- Polyplex's 'Easy and Straight'tear PET film has facilitated customer convenience through easy opening of pouches.

- Polyplex's "Twist N Wrap" is one such development which is seen on the market shelves for leading chocolate brands in India. The concept of "Twist N Wrap" is seen as the most innovative and important feature and Polyplex's innovation has made it possible to bring it to the consumer. Apart from this, the above-mentioned innovation has made possible the conversion from a 3 layer laminate to a 2 layer laminate structure.

- Polyplex is also working actively on a nylon film replacement project with its Thermo-formable grades.

- Polyplex has also come up with specialty coated products for aesthetically pleasing packaging structures. They are targeted to impart a more natural and paper-like look for a soft and subtle appearance.



Human resources

Polyplex Group employs approximately 1,830 people across the globe. The Company has manufacturing presence in India, Thailand, Turkey and the US. The Company closely monitors employee performance and accordingly creates career progression paths. The Company continues to employ students from various premier institutions of the country. This initiative, over the last four years, has helped young engineers and management professionals take crucial leadership positions. Under this program, key executives are given direct exposure through structured role change for faster and all-round growth. This has helped in improving employee retention. Besides, manpower rationalization initiatives continued during the last financial year as well. This helped increase accountability and

better communication both horizontally and vertically.

- 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 synergized operations and improved cost competitiveness.
- A keen emphasis has been laid on NPD (New Product Development), R&D and technical services areas. To strengthen the R&D team and prepare a talent pipeline, B.Tech, M.Tech and M.Sc. students have been hired from premier institutes.
- Attrition levels are under control.

- Growth options are given to employees who have grown from within and thus hiring of resources at senior leadership level has reduced significantly.

The newly-created central shared services department has improved speed of execution, ensured real-time data availability, helped generate faster MIS as well as brought down costs significantly. Moreover, Group level implementation of the HRIS (Human Resource Information System) has improved visibility and access to accurate information thereby quickening decision-making on people-related issues. Polyplex continues to incorporate user-friendly plug-ins and upgrade the system so as to empower its employees adequately.

Information technology

During the year under review, the Company continued to implement IT enablement initiatives for improving and optimizing processes. Deployment of an integrated application platform has been initiated to replace existing standalone business applications at its various locations. The focus is on

effecting improvements in tools deployed to empower marketing and technical service teams and expanding coverage of web-based training and development portal for employees to improve their knowledge and skills in the areas relevant for different operations. The Company continues to invest in upgradation of older

networks and infrastructure components to contemporary standards. In order to provide better infrastructure in global service applications in the areas of email communication and human resources, there is an active utilization of hybrid cloud models.

Internal control systems and their adequacy

The Company believes that internal control is an essential element for Corporate Governance. It remains committed in ensuring an effective internal control environment that provides assurance to the Board of Directors, Audit Committee and the management that there is a structured system for:

- Ensuring statutory compliance framework and its effectiveness
- Evaluating and managing risks on the basis of pre-defined risk control matrix as per Internal Financial Control (IFC) guidelines
- Review of business plans and goals
- Safeguarding the Company's assets

against unauthorized usage

- Prevention and detection of fraud and error
- Compliance of policies and delegation of authority
- Validation of IT security controls
- Timely preparation of reliable financial statements/information

The Company has an overall framework for managing risks in terms of its Enterprise Risk Management (ERM) policy. Inter-related control systems covering all financial and operating functions assure the fulfillment of these objectives.

The internal auditor reports are reviewed

and discussed in Audit Committee and Board meetings on a quarterly basis. Besides, the Company uses Enterprise Resource Planning (ERP) which is supported by in-built IT controls on all major business processes that ensure reliable and timely financial reporting. The Company continuously upgrades its internal control system by measures such as strengthening of IT infrastructure and use of external management assurance services. Moreover, company-wide adherence to best practices is achieved through a combination of internal audits, management reviews and Audit Committee interventions.

Outlook and planned investments

The global PET film market is still oversupplied in both thin and thick films as has been the case for the past few years. However, as some of the new capacities have been underperforming since being commissioned, it is expected that the pace of new investments will slow down over

the next couple of years, except in India. The demand growth is expected to remain strong. Therefore, the existing oversupply scenario is expected to gradually improve. The Company believes that it's well-distributed manufacturing operations, diversified value-added product portfolio,

quality consistency, international customer base, efficient supply chain and a conservative Balance Sheet has allowed it to grow profitably and withstand industry volatilities better.

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-sensitized procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

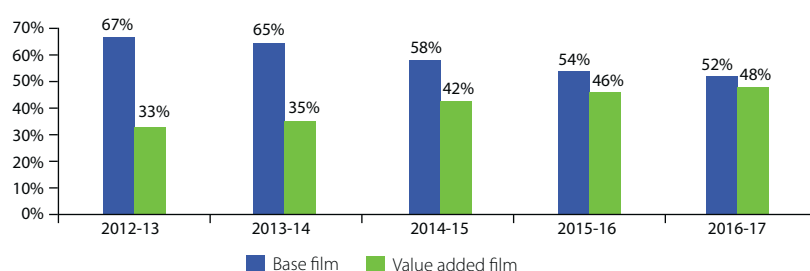
1 Competition and business cycle risk

The industry cycle in 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 widen 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 is 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 minimizing 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 value-added films cushion the Company from demand-supply volatilities. Over the past five years, the Company's share of value-added films in the total film sales turnover has increased from 33% in FY2012-13 to 48% in FY2016-17. Value-added films comprise those product types which are a specialty either from the production/process perspective or from the margin perspective or both. Based on this criterion, the value-added films' share in the previous years has been recomputed.

Share in film sales turnover



2 Liquidity and solvency risk

Liquidity implies the ability to meet debt obligations and finance 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 to finance further investments.

Risk mitigation

The Company has sufficient cash reserves exceeding the level of debt. Cash and

equivalents together with undrawn credit lines (excluding project financing) and liquid investments (current and non-current) aggregated to more than ₹157,101 lacs. Free cash flows along with large unutilized credit lines available at Polyplex's disposal are expected be quite adequate to deal with unforeseen contingences.

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. The Company also has a global credit insurance cover to secure non-payment risks of customers. During FY2016-17, the Company had 1,600 customers and 28% of the total revenues were contributed by the top-10 customers.

A strong internal credit risk management framework and credit insurance policy has enabled Polyplex to manage credit risks prudently. The average credit period during FY2016-17 stood at 53 days as compared to 49 days in FY2015-16.

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 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

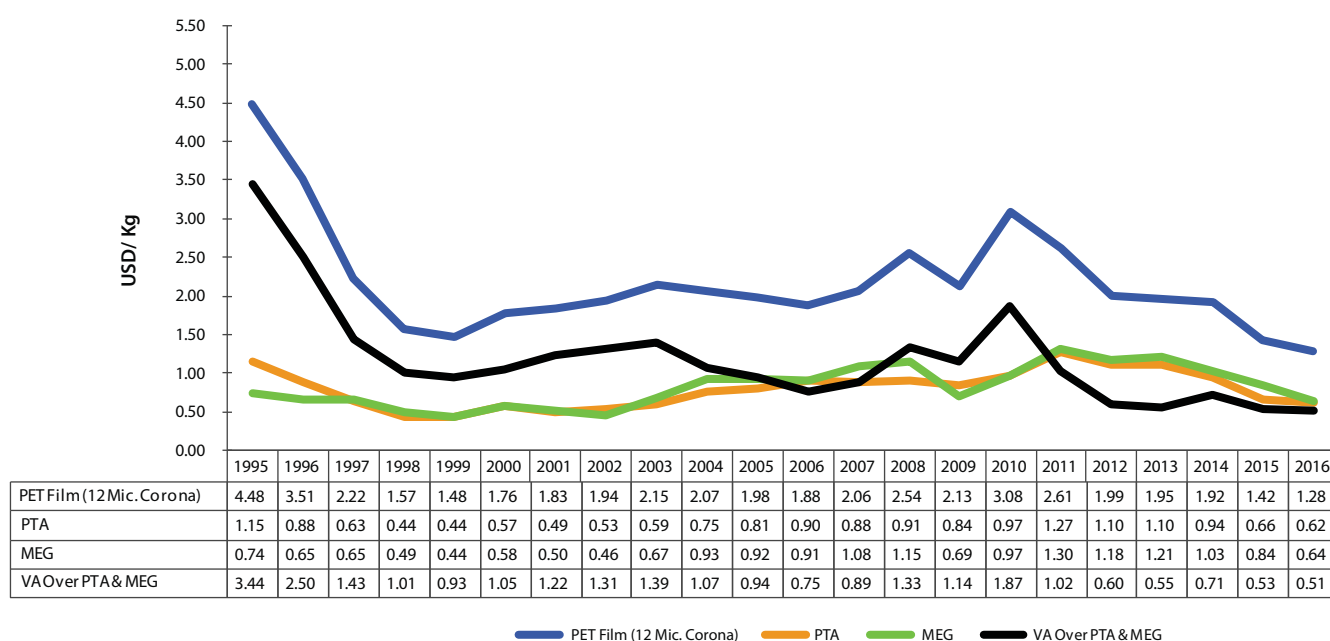
any changes in PET resin costs. Although the pace of capacity addition has slowed down, the thin PET film industry continues to witness a surplus scenario, thus straining margins. Raw material prices have been soft during FY2016-17, which were passed on to the customer given the supply overhang. Analysis 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)



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, subsequent changes during the 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 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 USA. In the last sunset review conducted by the US Department of Commerce, anti-dumping duty on Brazil has been revoked, though duties on China and the UAE would continue to prevail. As per the last administrative review, the anti-dumping duties on China and the UAE are in the range of 7.91% to 76.72%.

As per the final results of the administrative review conducted by the US Department of Commerce for the review period 2014-15, exports from Polyplex India to the US are subject to an anti-dumping rate of 0.59% and countervailing duty 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 countervailing duty rate is in the range of 2.16%–65.59%. Over the last few years, anti-dumping duties and countervailing duties imposed by EU on imports from India have been eliminated.

Since March 2012, Brazil has imposed

anti-dumping duties on imports of PET films from Turkey, the UAE and Mexico in the range of USD 67.44/MT to USD 1,013.98/MT with duty on exports from Polyplex Turkey to Brazil being USD 67.44/MT. Recently, Brazil has initiated an expiry review on PET films imported from Turkey, the UAE and Mexico and the results are awaited. In May 2015, anti-dumping duties were imposed by Brazil on imports of PET films from China, Egypt and India. The anti-dumping duty on Polyplex India is USD 255.5/MT. The duties imposed on China, Egypt and India are in the range of USD 222.15/MT to 946.36/MT. Brazil has also imposed countervailing duty on imports of PET film originating from India ranging between USD 0–USD 689.66 per MT. The countervailing duty on Polyplex India is USD 4.24/MT.

In 2014, Indonesia initiated a dumping investigation against imports of PET film from Thailand, India and China. As per the final outcome of the investigation, Polyplex Thailand has been assigned a duty rate of 2.2% which is the lowest amongst all exporters. Recently, Korea has also initiated an anti-dumping investigation with respect to PET film originating from Taiwan, Thailand and the UAE.

8 Environmental and sustainability risk

The Indian packaging industry is prone to certain environmental and sustainability risks. For instance, an application had been filed before the 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 a plastic waste management system. The concerned ministry has come out with these new rules which provide for certain stringent provisions related to the 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 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. The Company is in regular touch with all stakeholders in the value chain for representing the facts at all forums.

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 change, 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 consistent hedging strategy. A natural hedge is created by choosing the right currencies for 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 as cash flows are not freely transferable between Group entities.

The currencies used for external borrowing by the Company are US Dollar, Euro, INR and Thai Baht. As the Company is net US Dollar surplus, the maximum external borrowings are in US Dollars (77% of the debt profile). This is followed by borrowings in Euros

(13%) and the balance in INR and THB. Any spike in the US Dollar value has a negative impact on loan liabilities but with majority of the Company's exports being Dollar denominated, the impact on the Company's cash flow is minimised. Apart from this, there are related party borrowings too which are in Euros. Hence, there is a significant impact of Euro movement in terms of foreign exchange reinstatement gain/loss as reported in the financial statements, which is partially hedged through Euro-denominated exports.

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 had shifted some of its floating rate debt to fixed rate through interest rate swaps.

10 Geographic risk

An overt dependence on a particular geography may 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 realized.



Directors' Report

Your Directors have pleasure in submitting the Thirty-second Annual Report together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2017.

Financial Highlights and Operations

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

a) Standalone Working Results

(₹ in Lacs)

Particulars	2016-17	2015-16
Total Income (Net of Excise Duty)	97,678.48	98,659.92
Profit before Finance Cost, Depreciation and Amortisation and Tax and Exceptional Items	10,955.41	10,778.15
Less : Finance Costs	743.76	821.07
Less : Depreciation and Amortisation	5,831.14	6,464.82
Profit before Tax and Exceptional Item	4,380.51	3,492.26
Less: Exceptional Item – (Gain)/Loss	--	996.00
Profit before tax but after exceptional item	4,380.51	2,496.26
Less/(Add): Tax expense and prior period adjustment	741.14	(198.92)
Profit after Tax (PAT)	3,639.37	2,695.18
Appropriations:		
Transfer to General Reserve	100.00	269.52
Interim Dividend paid during the year	959.54	---
Final Dividend Proposed	1279.38	959.54

b) Consolidated Working Results (Under Indian GAAP)

(₹ in Lacs)

Particulars	2016-17	2015-16
Total Income (Net of Excise Duty)	3,30,443.00	3,23,561.61
Profit before Finance Cost, Depreciation and Amortisation and Tax and Exceptional Items	54,488.34	38,685.57
Less : Finance Costs	3,542.27	4,807.91
Less : Depreciation and Amortisation	20,216.28	20,895.56
Profit/ (Loss) before Tax and Exceptional Item	30,729.79	12,982.10
Less : Exceptional Item – (Gain) /Loss	(5,627.95)	6,565.82
Profit/ (Loss) before tax but after exceptional item	36,357.74	6,416.28
Provision for tax and prior period adjustment	1,246.26	4,791.59
Profit/ (Loss) after Tax before Minority Interest	35,111.48	1,624.69
Less/ (Add) : Minority Interest:	12,967.91	(1,279.14)
Profit/ (Loss) after tax and Minority Interest	22,143.57	2,903.83
Earnings Per Share (of ₹10/- Each) (₹) (Basic & Diluted)	69.23	9.08

Year in Retrospect

During the year under review, total income declined from ₹98,659.92 Lacs to ₹97,678.48 Lacs, due to softening of selling prices despite increase in sales volume. Profit after Tax for the year was higher at ₹3,639.37 Lacs as compared to ₹2,695.18 Lacs during the preceding year.

During the year under review, consolidated total income increased from ₹3,23,561.61 Lacs to ₹3,30,443.00 Lacs. Profit after Tax and Minority Interest increased to ₹22,143.57 Lacs as compared to ₹2,903.83 Lacs in the preceding year.

Dividend and Transfer to Reserves

During the year Board of Directors have declared and paid an Interim dividend at the rate of ₹3.00 per share.

Your Board of Directors have proposed a Final Dividend at the rate of ₹4.00 per share, which would be paid after its declaration by the members at the ensuing Annual General Meeting.

A sum of ₹100 Lacs from the current year's profit has been transferred to General Reserves.

The Board of Directors has on voluntary basis formed a Dividend Distribution Policy and the same is available on the website of the Company at www.polyplex.com.

Changes 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015), a detailed 'Management Discussion and Analysis Report' (MDA) is attached as 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 and Analysis Report'.

Subsidiary Companies

During the year Company had following subsidiaries/ stepdown subsidiaries whose performance are included in the Consolidated Financial Statements viz. Polyplex (Thailand) Public Company Limited, Thailand, Polyplex Trading (Shenzhen) Co. Ltd., China, 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 Ticaret Anonim Sirketi, Turkey, Polyplex Europe B.V., Netherlands, PAR LLC., USA, Polyplex America Holdings Inc., USA and Polyplex USA LLC., USA.

Peninsula Beverages and Foods Company Private Limited (PBFCL) ceased to be subsidiary of the Company w.e.f. February 13, 2017.

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.

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.

The Financial Statement of the Subsidiary Companies will be made available on request.

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 respective notes attached to Financial Statements.

During the year, Polyplex (Thailand) Public Company Limited, Thailand, made 'Rights' offering of ordinary shares of Baht 1 each at an 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 increased from 51.00% to 54.08%. However as at year end, your Company's stake was at 51% as Polyplex (Asia) Pte. Ltd. has sold part of its stake post Rights Issue.

Deposits from public

The Company has not accepted any deposits from public during the Financial Year 2016-17. There were no unclaimed deposits as at March 31, 2017.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, in relation to the Financial Statements for the Financial Year 2016-17, 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, 2017 and of the profit of the Company for the year ended on March

31, 2017;

- 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, five Independent Directors viz. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh (w.e.f. May 12, 2016) served on the Board of the Company.

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 following Non-Independent Directors (including one Whole Time Director) served on the Board viz. Mr. Sanjiv Saraf, Mr. Sanjiv Chadha, Mr. Rakesh Awasthi (upto May 3, 2016) 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 his nomination by IDBI Bank Ltd.

Mr. Sanjiv Saraf, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered 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 2016-17, six 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 July 25, 2017, 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 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 :

- Participation at Board/ Committee Meetings.
- Knowledge and Skill.
- Managing Relationships.
- Personal Attributes.

Independent Directors of the Company in a separate meeting 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 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 comprised of Mr. Brij Kishore Soni, Independent Director (Chairman), Mr. Rakesh Awasthi, Nominee Director of IDBI Bank Ltd. (upto May 3, 2016), Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Jitender Balakrishnan (w.e.f. December 15, 2016), Independent Directors.

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., Mr. Jitender Balakrishnan was appointed as member of the Audit Committee w.e.f. December 15, 2016.

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

The Board of Directors has accepted all the recommendation of the Audit Committee.

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 sub-section 9 and 10 of Section 177 of the Act and 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

In terms of provisions of Section 139(2) of Companies Act, 2013 and Rules made thereunder, the term of M/s. Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E), as Statutory Auditors of the Company expires at the conclusion of ensuing Annual General Meeting and they are not eligible to be re-appointed as they have already held the office of Auditor for the maximum number of years provided under the Companies Act, 2013 and Rules made thereunder.

The Board of Directors of the Company on the recommendation of the Audit Committee, have proposed appointment of M/s. S S Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) as the Statutory Auditors of the Company for a term of five years from the conclusion of ensuing Annual General Meeting. Accordingly, a resolution, proposing appointment of M/s. S S Kothari Mehta & Co., Chartered Accountants, as the Statutory Auditors of the Company, forms part of the agenda of the ensuing Annual General Meeting. M/s. S S Kothari Mehta & Co., Chartered Accountants, have confirmed their eligibility and consent to the proposed appointment.

The Auditors Report on the Financial Statements of the Company for the Financial Year 2016-17 to the Members is part of Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers requiring any explanation in their report.

Your Board of Directors place on record their appreciation for the services provided by M/s. Lodha & Co., Chartered Accountants to the Company and Management.

Internal Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2017-18.

Cost Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) as Cost Auditors to audit the Cost Records of the Company for the Financial Year 2017-18. 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 the said Auditors has been included in the Notice convening the ensuing Annual General Meeting.

Secretarial Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. R S M & Co., Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2016-17 pursuant to the provisions of Section 204 of the Act and Rules made thereunder. Secretarial Audit Report received from them is annexed herewith 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 to such transactions.

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. Your Company lays due importance to a 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, Bankers and the Auditors of 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: July 25, 2017

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, 2017.

A. Employed for full year

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Pranay Kothari	Executive Director	58	FCA, CS	1-Aug-1985	32	2,36,34,544	Optima Consultants Private Limited, Consultant
2	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	50	BE (Mech.), M.Tech (Industrial & Mgmt Eng.), IIT-K	1-Aug-2006	27	1,02,37,415	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey - Plant Head
3	Mr. Kapil Gupta	Sr. Vice President (Profit Centre Head, India)	58	B.E. (Chem), PGDM (IIM, Ahm.)	18-Jul-2011	35	99,58,615	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey, Profit Centre Head
4	Mr. Ramakrishna Rao Kuchipudi	Sr. General Manager (NPD, R & D and TS)	54	B.Tech (Chemical) M. Tech (Chemical)	1-April -2009	32	91,88,721	Bhilangana Hydro Power Limited, General Manager
5	Mr. Manish Gupta	Chief Financial Officer	49	B.Com (Hons) MBA (Finance) (IIM, Bangalore)	1-Aug-2008	26	89,72,009	Polyplex (Thailand) Public Company Limited, Thailand, General Manager - Commercial
6	Mr. Harminder Singh	General Manager (Indirect Taxation and Admin)	58	B.Sc.	26-June-2000	36	82,06,358	Senior Manager in Rajdoot Paint Group
7	Mr. Rajpal Yadav	Vice President (Projects)	55	Diploma (Mechanical)	1- July-2014	33	74,70,619	Polyplex (Thailand) Public Company Limited, Thailand, Head Projects
8	Mr. Ashok Kumar Gurnani	Company Secretary	59	FCS, AICAI, LLB (Delhi University)	05-Feb-1987	39	69,65,065	Bharat Gears Limited, Secretarial Executive

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
9	Mr. Rakesh Kakar	General Manager (Sales and Marketing)	57	Diploma (Electrical)	01-Aug-1991	36	63,92,224	Excel Marketing Pvt. Ltd. (Astt. Manager - Sales)
10	Mr. Rajendra Singh Gaur	Vice President (Operations Head Plant)	56	Diploma (instrumentation)	14-Jan-2009	37	60,25,011	Polyplex (Thailand) Public Company Limited, Thailand, Plant Head

B. Employed for part of the year

Nil

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 employee is related to any Director of the Company.
5. Remuneration of Mr. Pranay Kothari does not include a sum of ₹1,11,23,590/- paid during the Financial Year 2016-17 of which ₹70,14,925/- was paid for Financial Year 2015-16 and ₹41,08,665/- was paid for Financial Year 2014-15, out of the provision created by the Company in the respective Financial Years, after receipt of approval of Central Government.

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	12.56
Executive Director	
Mr. Pranay Kothari	70.68

Above list does not include Non-Executive Directors 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/(decrease) in remuneration
Non-Executive Directors	
Mr. Sanjiv Saraf	50.00
Executive Director	
Mr. Pranay Kothari	59.10
Key Managerial Personnel	
Mr. Manish Gupta (CFO)	(51.56)
Mr. Ashok Kumar Gurnani (CS)	32.58

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 ₹50,000/-.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year:
Remuneration of median employee increased by 3.37% during the year.

- (iv) The number of permanent employees on the rolls of Company:
As on March 31, 2017, total numbers of employees were 775.

- (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 3.37% as compared to average increase of 2.43% 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 : July 25, 2017

Sanjiv Saraf
Chairman

Annexure to the Directors' Report

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 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 Independent, Non Executive, 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:

₹2,385 Lacs

4. Prescribed CSR expenditure (Two percent of the amount as in item 3 above).

₹47.70 Lacs

5. Details of CSR spent during the Financial Year (2016-17):

(a) Total amount to be spent for the Financial Year.

₹47.70 Lacs

(b) Amount unspent, if any

₹7.70 Lacs

(c) Manner in which the amount spent during the Financial Year:

As per Annexure attached

6. Reasons for not spending the prescribed amount:

The Board of Directors have approved spending of unpaid amount and the same is proposed to be spent in the current Financial Year.

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.

Sanjiv Saraf

Chairman of CSR Committee

Place: Noida

Date: July 25, 2017

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	40,00,000	Direct	40,00,000	Implementing agency: Rekhta Foundation
	Total			40,00,000		40,00,000	

The Board has approved to contribute ₹5,00,000/- to Navsrijan Education Society, Lucknow, ₹5,00,000/- to Udayan Care, New Delhi and ₹4,80,000/- to Sapna, New Delhi, NGOs towards contribution as CSR Expenditure to be spent during the Financial Year 2017-18.

Place: Noida

Date: July 25, 2017

Sanjiv Saraf

Chairman of CSR Committee

Annexure to the Directors' Report

ANNEXURE-D

Form No. MR-3
Secretarial Audit Report
For the Financial Year Ended on 31st March, 2017

[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, 2017 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, 2017 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, 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 (Share Based Employee Benefits) Regulations, 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)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period);** and
 - (i) The 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 Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 and other Rules made thereunder;
 - (iv) The Water (Prevention and Control of Pollution) Act, 1974, and Rules 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
 - (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 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 forms an integral part of this report.

For RSM & Co.
Company Secretaries

Ravi Sharma
Partner

Dated: July 21, 2017
Place: New Delhi

FCS NO. 4468, C.P. NO. 3666

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, Rules 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

Dated: July 21, 2017
Place: New Delhi

FCS NO. 4468, C.P. NO. 3666

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) Installed automatic chemical dosing system in Utility Cooling towers resulting into efficiency increase of Chillers and reduced consumption of soft water.
 - b) Integrated power distribution of two different UPS to utilize optimally as per load requirement resulting into reduction into energy losses.
 - c) Voltage supply regulation for lightings circuit to reduce overall consumption.
 - d) Flow optimization through VFD in Cooling tower fan as per temperature requirement resulting into reduction in energy consumption
 - e) Flow optimization through VFD in Hot water circulation pump of VAM resulting into reduction in Energy consumption.
 - f) Balance plant and external lightings changed from conventional to LED.
- ii) Steps taken by the company for utilizing alternate sources of energy and capital investment made on energy conservations equipment
 - a) BOPET Film line Chill roll cooling load transferred from Chilled water to cooling tower water resulting into reduction of overall AC load and energy consumption.
 - b) Recycling process- Chilled water load of water bath transferred on Cooling tower water.

(B) Technology Absorption:

- i) Efforts made towards technology absorption:
 - a) For Operational Excellence we have carried out several trials and in this direction we have modified Melt Trap System.
 - b) We are focusing on indigenous technology, as day by day technology is being upgraded and we are bound to use these technologies for improved quality at lower cost, in this

direction we have modified and upgraded our Thyristor in Metallizer.

- c) In order to achieve continual improvement in quality we have installed Web Defect Detection System for inline monitoring of defects which is very effective for quick rectification of defects.
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
 - a) Cost Optimization and Reduction of Wastage is core focus of company in this direction we have successfully increased the usage of recycling.
 - b) In house modification carried out in Sheeting Machine to increase the productivity.
- iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year):
The details of technology imported:
 - a) Gel Detection System for Metallizer
 - b) The year of Import: **2016**
 - c) Whether the technology has been fully absorbed: **Yes**
 - d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: N.A.
- iv) Expenditure incurred on Research and Development:
Revenue expenditure on R&D incurred during the Year: ₹395.05 Lacs (Previous Year: ₹441.39 Lacs).
Capital expenditure on R&D incurred during the Year: ₹ Nil (Previous Year – ₹ Nil).
Total R&D expenditure as a percentage of total turnover is 0.40%.

(C) Foreign Exchange Earnings and Outgo:

Earned: ₹25,605.26 Lacs (Previous Year: ₹25,389.67 Lacs)
Used: ₹7,872.29 Lacs (Previous Year: ₹5,441.66 Lacs)

Annexure to the Directors' Report

ANNEXURE-F

FORM NO. MGT 9
Extract of Annual Return

As on the Financial Year Ended on March 31, 2017

[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	98.94%

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 Karamahmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No.-4, Ergene, Tekirdag, 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 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	100.00	2(87)
7	Polyplex America Holdings Inc. 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
8	Polyplex USA LLC 3001, Mallard Fox Drive NW, 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	33.92	2(87)
10	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)
11	Polyplex Europe BV Zuidplein 126, WTC, Tower H, Floor 15, 1077XV Amsterdam, Netherlands	Foreign Company	Subsidiary Company	51.00	2(87)

* Polyplex (Thailand) Public Company Limited had reduced its shareholding from 74% to 66.50% in EcoBlue Limited during the Financial Year 2016-17.

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 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% 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	20,10,202	-	20,10,202	6.28	20,10,202	-	20,10,202	6.28	-
e) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
f) Any other (Director and their relative)	8,29,198	-	8,29,198	2.59	8,29,198	-	8,29,198	2.59	-
SUB TOTAL:(A) (1)	28,39,400	-	28,39,400	8.88	28,39,400	-	28,39,400	8.88	-
(2) Foreign									
a) Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	1,31,58,134	-	1,31,58,134	41.14	1,31,58,134	-	1,31,58,134	41.14	-
c) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Any other (Directors and their relatives)	4,000	-	4,000	0.01	4,000	-	4,000	0.01	-
SUB TOTAL (A) (2)	1,31,62,134	-	1,31,62,134	41.15	1,31,62,134	-	1,31,62,134	41.15	-
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	1,60,01,534	-	1,60,01,534	50.03	1,60,01,534	-	1,60,01,534	50.03	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	24,26,023	21,500	24,47,523	7.65	26,73,209	21,500	26,94,709	8.43	0.77
b) Financial Institutions/Banks	10,444	7,500	17,944	0.06	8,588	7,500	16,088	0.05	(0.01)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	2,34,616	15,200	2,49,816	0.78	4,67,244	15,200	4,82,444	1.51	0.73
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	26,71,083	44,200	27,15,283	8.49	31,49,041	44,200	31,93,241	9.98	1.49
(2) Non Institutions									
a) Bodies corporates									
i) Indian	52,15,410	13,400	52,28,810	16.35	50,28,252	13,400	50,41,652	15.76	(0.59)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹1 Lac	29,29,884	4,61,122	33,91,006	10.60	26,82,833	4,47,622	31,30,455	9.79	(0.81)
ii) Individuals shareholders holding nominal share capital in excess of ₹1 Lac	11,71,346	-	11,71,346	3.66	13,51,876	-	13,51,876	4.23	0.56
c) Others (specify):									
(c-i) NRIs	32,04,286	8,100	32,12,386	10.04	30,56,701	8,100	30,64,801	9.58	(0.46)
(c-ii) OCB	-	2,400	2,400	0.01	-	2,400	2,400	0.01	-
(c-iii) Directors and Relatives	4,584	-	4,584	0.01	4,584	-	4,584	0.01	-
(c-iv) Hindu Undivided Family	2,02,383	-	2,02,383	0.63	1,72,194	-	1,72,194	0.54	(0.09)
(c-v) Trusts	-	-	-	-	-	-	-	-	-
(c-vi) NBFC Registered with RBI	37,630	-	37,630	0.1	3,565	-	3,565	0.0	(0.11)
(c-vii) Clearing Members	17,238	-	17,238	0.1	18,298	-	18,298	0.1	0.00
SUB TOTAL (B)(2):	1,27,82,761	4,85,022	1,32,67,783	41.48	1,23,18,303	4,71,522	1,27,89,825	39.99	(1.49)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,54,53,844	5,29,222	1,59,83,066	49.97	1,54,67,344	5,15,722	1,59,83,066	49.97	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,14,55,378	5,29,222	3,19,84,600	100.00	3,14,68,878	5,15,722	3,19,84,600	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, 2016)			Shareholding at the end of the year (As on March 31, 2017)			% 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	76,22,390	23.83	-	76,22,390	23.83	-	-
2	Secure Investments Limited	55,35,744	17.31	-	55,35,744	17.31	-	-
3	Sanjiv Sarita Consulting Private Limited (formerly known as Sanjiv Sarita Investment Private Limited)	13,90,924	4.35	-	13,90,924	4.35	-	-
4	Utkarsh Trading & Holdings Limited	4,11,278	1.29	-	4,11,278	1.29	-	-
5	Bhilangana Hydro Power Limited	2,08,000	0.65	-	2,08,000	0.65	-	-
6	Mr. Sanjiv Saraf	3,25,138	1.02	-	3,25,138	1.02	-	-
7	Ms. Amla Saraf	2,59,000	0.81	-	2,59,000	0.81	-	-
8	Ms. Sakhi Saraf	2,45,000	0.77	-	2,45,000	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	Ms. Urmiladevi Narayandas Saraf	20	0.00	-	20	0.00	-	-
12	Ms. Sarita Saraf	20	0.00	-	20	0.00	-	-
	Total	1,60,01,534	50.03	-	1,60,01,534	50.03	-	-

(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, 2016)		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, 2017)	
		No. of Shares	% of total shares of the company	Date	No. of Shares		No. of shares	% of total shares of the company
1	There was no change in the Promoter's Shareholding during the period April 1, 2016 to March 31, 2017							

(iv) Shareholding Pattern of top 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 during quarter	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, 2016	43,19,749	13.51%	April 1, 2016	Opening	NA	43,19,749	13.51%
				June 30, 2016	1,29,553	Transfer	44,49,302	13.91%
				Sept 30, 2016	1,36,753	Transfer	45,86,055	14.34%
				December 31, 2016	-1,52,720	Transfer	44,33,335	13.86%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	-1,88,800	Transfer	42,44,535	13.27%
	^ Hold shares in its name in trust for K2 Family Pvt. Trust.							

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	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, 2016	15,67,630	4.90%	April 1, 2016	Opening	NA	15,67,630	4.90%
				June 30, 2016	-26,652	Transfer	15,40,978	4.82%
				Sept 30, 2016	-33,268	Transfer	15,07,710	4.71%
				December 31, 2016	0	Transfer	15,07,710	4.71%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	15,07,710	4.71%
	^^ Shares held in more than one demat account have been consolidated							
3	Keswani Hareh							
	April 1, 2016	15,48,856	4.84%	April 1, 2016	Opening	NA	15,48,856	4.84%
				June 30, 2016	0	Transfer	15,48,856	4.84%
				Sept 30, 2016	0	Transfer	15,48,856	4.84%
				December 31, 2016	-90,066	Transfer	14,58,790	4.56%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	14,58,790	4.56%
4	Reliance Capital Trustee Co Ltd.-Reliance Small Cap Fund							
	April 1, 2016	14,39,584	4.50%	April 1, 2016	Opening	NA	14,39,584	4.50%
				June 30, 2016	-35,270	Transfer	14,04,314	4.39%
				Sept 30, 2016	0	Transfer	14,04,314	4.39%
				December 31, 2016	0	Transfer	14,04,314	4.39%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	14,04,314	4.39%
5	DSP Blackrock Small and Midcap Fund							
	April 1, 2016	9,86,439	3.08%	April 1, 2016	Opening	NA	9,86,439	3.08%
				June 30, 2016	34,208	Transfer	10,20,647	3.19%
				Sept 30, 2016	0	Transfer	10,20,647	3.19%
				December 31, 2016	67,329	Transfer	10,87,976	3.40%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	1,80,919	Transfer	12,68,895	3.97%
6	Kiran Chulani							
	April 1, 2016	1,66,122	0.52%	April 1, 2016	Opening	NA	1,66,122	0.52%
				June 30, 2016	0	Transfer	1,66,122	0.52%
				Sept 30, 2016	0	Transfer	1,66,122	0.52%
				December 31, 2016	-16,122	Transfer	1,50,000	0.47%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	-6,000	Transfer	1,44,000	0.45%
7	Citrine Fund Limited							
	April 1, 2016	1,40,000	0.44%	April 1, 2016	Opening	NA	1,40,000	0.44%
				June 30, 2016	0	Transfer	1,40,000	0.44%
				Sept 30, 2016	0	Transfer	1,40,000	0.44%
				December 31, 2016	0	Transfer	1,40,000	0.44%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	1,40,000	0.44%
8	Mahavir L Mehta							
	April 1, 2016	1,24,430	0.39%	April 1, 2016	Opening	NA	1,24,430	0.39%
				June 30, 2016	275	Transfer	1,24,705	0.39%
				Sept 30, 2016	8,245	Transfer	1,32,950	0.42%
				December 31, 2016	3,000	Transfer	1,35,950	0.43%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	1,35,950	0.43%

Sr. No	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	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
9	Ashmavir Financial Consultants Private Limited							
	April 1, 2016	1,16,600	0.36%	April 1, 2016	Opening	NA	1,16,600	0.36%
				June 30, 2016	0	Transfer	1,16,600	0.36%
				Sept 30, 2016	0	Transfer	1,16,600	0.36%
				December 31, 2016	7,000	Transfer	1,23,600	0.39%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	2,500	Transfer	1,26,100	0.39%
10	Poonam I Kirpalani							
	April 1, 2016	1,12,587	0.35%	April 1, 2016	Opening	NA	1,12,587	0.35%
				June 30, 2016	0	Transfer	1,12,587	0.35%
				Sept 30, 2016	-8,768	Transfer	1,03,819	0.32%
				December 31, 2016	0	Transfer	1,03,819	0.32%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	1,03,819	0.32%
11	Ashok Kumar Jain*							
	April 1, 2016	1,00,969	0.32%	April 1, 2016	Opening	NA	1,00,969	0.32%
				June 30, 2016	38,142	Transfer	1,39,111	0.43%
				Sept 30, 2016	-6,349	Transfer	1,32,762	0.42%
				December 31, 2016	-17,411	Transfer	1,15,351	0.36%
	At the end of the year (or on the date of separation, if separated during the year)			March 31,2017	0	Transfer	1,15,351	0.36%

1 *Not in the list of Top Ten Shareholders as on 01.04.2016.

2 Shares held on more than one account have been consolidated.

3 The shares of the Company are traded on a daily basis. Above details of increase and decrease of shareholding have been given based on quarterly shareholding position received from Registrar and Share Transfer Agent.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2016)		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, 2017)	
		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	3,25,138	1.02	--	--	--	3,25,138	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 Managaerial 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
Indebtedness at the beginning of the Financial Year (01.04.2016)				
i) Principal Amount	1,79,33,41,309	-	-	1,79,33,41,309
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	46,44,465	-	-	46,44,465
Total (i+ii+iii)	1,79,79,85,774	-	-	1,79,79,85,774
Change in Indebtedness during the Financial Year				
Additions	1,08,26,87,656	10,02,63,699	-	1,18,29,51,355
Reduction	90,92,96,798	-	-	90,92,96,798
Net Change	17,33,90,858	10,02,63,699	-	27,36,54,557
Indebtedness at the end of the Financial Year (31.03.2017)				
i) Principal Amount	1,96,84,23,222	10,00,00,000	-	2,06,84,23,222
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,53,410	2,63,699	-	32,17,109
Total (i+ii+iii)	1,97,13,76,632	10,02,63,699	-	2,07,16,40,331

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time directors and/or Manager:

Amount 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	2,24,51,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,19,544
	(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)	9,64,000
	Total (A)	2,36,34,544
	Ceiling as per the Companies Act /Central Government Approval	2,46,66,146

Note: Above remuneration does not include a sum of ₹1,11,23,590/- paid during the Financial Year 2016-17 of which ₹70,14,925/- was paid for Financial Year 2015-16 and ₹41,08,665/- was paid for Financial Year 2014-15, out of the provision created by the Company in the respective Financial Years after receipt of approval of Central Government.

B. Remuneration to other directors:

1. Independent Directors

Amount 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	Mr. Ranjit Singh	
1	(a) Fee for attending Board/ Committee meetings	4,50,000	8,50,000	4,50,000	4,00,000	3,00,000	24,50,000
1	(b) Commission	--	--	--	--	--	--
1	(c) Others, please specify	--	--	--	--	--	--
	Total B (1)	4,50,000	8,50,000	4,50,000	4,00,000	3,00,000	24,50,000

2. Other Non Executive Directors

Amount 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	3,00,000	2,00,000	-	5,00,000
2	(b) Commission	42,00,000	--	--	42,00,000
2	(c) Others, please specify.	--	--	--	--
	Total B(2)	45,00,000	2,00,000	-	47,00,000
	Total (B)=(B1+B2)				71,50,000
	Total Managerial Remuneration (A+B)				3,07,84,544
	Overall Ceiling as per the Act #				2,92,46,146

* Nominee Director of IDBI Bank Limited (Ceased to be director w.e.f. May 3, 2016)

The above overall ceiling is 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, pursuant to provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder.

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

Amount 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	85,91,309	66,77,098	1,52,68,407
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	97,964	49,743	1,47,707
	(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)	2,82,736	2,38,224	5,20,960
	Total	89,72,009	69,65,065	1,59,37,074

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					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with 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, 2017, the Board consists of eight Directors of which one is Executive Director and seven are Non-Executive Directors including one woman Director. More than 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 are from Promoters' Category and are Non- Executive and Non-Independent Directors.

Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh (w.e.f. May 12, 2016) 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, Nominee Director ceased to be Director of the Company w.e.f. May 3, 2016 consequent upon withdrawal of his nomination by IDBI Bank Limited.

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 of the Company.

b) Board Meetings :

During the Financial Year 2016-17, Six Board Meetings were held on May 12, 2016, May 30, 2016, August 11, 2016, November 14, 2016, December 26, 2016 and February 13, 2017. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings, previous Annual General Meeting and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2017 are given 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*** MemberChairman	
A. Non-Executive Directors						
A.1 Promoters Category						
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	5 out of 6	No	5	1	1
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	4 out of 6	No	Nil	Nil	Nil
A.2 Independent Directors						
Mr. Brij Kishore Soni DIN: 00183432	Independent	5 out of 6	Yes	Nil	Nil	Nil
Dr. Suresh Inderchand Surana DIN: 00009757	Independent	4 out of 6	No	Nil	Nil	Nil
Mr. Jitender Balakrishnan DIN: 00028320	Independent	5 out of 6	No	9	5	2
Ms. Pooja Haldea DIN: 07123158	Independent	4 out of 6	No	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	5 out of 5	Yes	Nil	Nil	Nil
A.3 Others-Non-Independent						
Mr. Rakesh Awasthi* (DIN: 00252540)	Non-Independent (Nominee of IDBI Bank Ltd.)	N.A.	N.A.	Nil	N.A.	N.A.
B. Executive Director						
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	4 out of 6	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 (Excluding this company).

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 Polyplex Corporation Limited), in which he/she is a director.

c) 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, 2017
1.	Mr. Sanjiv Saraf	3,25,138
2.	Mr. Sanjiv Chadha	4,000
3.	Dr. Suresh Inderchand Surana	200

d) 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.

e) Review of Compliance Report:

The periodical reports submitted by the Internal Auditors and by the concerned department Heads of the Company with regards 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.

f) 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 Company has a qualified and independent Audit Committee. The Audit Committee comprised of following Non-Executive Directors viz., Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea, Mr. Rakesh Awasthi and Mr. Jitender Balakrishnan. All the members of the Audit Committee except Mr. Rakesh Awasthi 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. Jitender Balakrishnan was co-opted as the member of Audit Committee w.e.f. December 15, 2016.

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 Regulation 18 (1) (c) 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 2016-17, four meetings of Audit Committee were held on May 30, 2016, August 11, 2016, November 14, 2016 and February 13, 2017. The maximum time gap between two consecutive meetings was not more than 120 days.

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
Dr. Suresh Inderchand Surana	3 out of 4
Ms. Pooja Haldea	3 out of 4
Mr. Jitender Balakrishnan	1 out of 1

*Mr. Jitender Balakrishnan was appointed as a member of the Audit Committee w.e.f. December 15, 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/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 Chief Financial Officer (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.
- 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, 2015.

- b.) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

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 2016-17, two meetings of the Nomination and Remuneration Committee were held on May 12, 2016 and August 11, 2016.

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 the Senior Management in accordance with the criteria laid down in the 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 2016-17:

Salary, Allowances, PF and SA	₹ 2,34,15,000
Perquisites	₹ 2,19,544
Total	₹ 2,36,34,544

Above remuneration does not include a sum of ₹1,11,23,590/- paid during the Financial Year 2016-17 of which ₹70,14,925/- was paid for Financial Year 2015-16 and ₹41,08,665/- was paid for Financial Year 2014-15, out of the provision created by the Company in the respective Financial Years after receipt of approval of Central Government.

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 @ ₹50,000/- 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. 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 2016-17 are given below:

S. No.	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf*	3,00,000
2.	Mr. Brij Kishore Soni	8,50,000
4.	Mr. Sanjiv Chadha	2,00,000
5.	Dr. Suresh Inderchand Surana**	4,50,000
6.	Mr. Jitender Balakrishnan	4,50,000
7.	Ms. Pooja Haldea	4,00,000
8.	Mr. Ranjit Singh	3,00,000

All Non-Executive Directors except Independent Directors are liable to retire by rotation.

* In addition to payment of Sitting Fee, Board of Directors have approved the payment of Commission of ₹42.00 Lacs for the Financial Year 2016-17 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.

** Amount aggregating to ₹21.22 Lacs was paid to firms in which Dr. Suresh Inderchand Surana is a partner towards professional fee, including service tax and reimbursement of expenses.

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 2016-17, three such meetings were held on August 17, 2016, October 7, 2016 and November 15, 2016. 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 2016-17 is as follows:

Opening: 0 Received: 0 Resolved: 0 Pending: 0

As on March 31, 2017, 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 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. Sanjiv 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 2016-17, one meeting of the CSR Committee was held on February 13, 2017 and the meeting was attended by Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana members of the CSR Committee.

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 2016-17, one meeting of the Finance Committee was held on March 25, 2017. The Meeting was attended by Mr. Pranay Kothari and Mr. Brij Kishore Soni.

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 2016-17, Five Independent Directors served on the Board.

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/SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on July 25, 2017, without the presence 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-à-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
31st	2015-16	29.09.2016	Registered Office at Khatima	11.00 a.m.
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.

During the Financial Year 2016-17, 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
2015-16/ September 29, 2016	No Special Resolution was required to be passed at the Annual General Meeting.
2014-15/ September 28, 2015	- 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. - 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. - 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. - 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. - 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	- Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 granting authority to Board of Directors to borrow upto ₹1,500 Crores. - 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.

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

(iv) During the Financial Year 2016-17 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, 2015 and 2016.

13. Disclosures:

- | | |
|---|--|
| <p>(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.</p> <p>(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.</p> <p>(c) The Company has formulated Whistle Blower Policy and the same 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.</p> | <p>(d) Company has complied with the mandatory requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.</p> <p>(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.</p> <p>(f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.</p> |
|---|--|

- (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

The Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/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/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf
- 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/CodeofConductforBoardMembersandSeniorManagement.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
- k) Policy for Dividend Distribution: http://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distribution_Policy_25072017.pdf

15. CEO/ CFO Certification (Compliance Certificate)

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Compliance 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 19, 2017.

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' edition, within the prescribed time limit.
- c. Management Discussion and Analysis forms part of the Annual Report, which is sent on email/ through courier/ posted on the website of the Company.

Declaration by the Chief Executive Officer 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 2016-17.

Place: Noida

Date: July 25, 2017

Pranay Kothari

Executive Director

General Shareholders Information

I.	Annual General Meeting Date, Time and Venue :	September 11, 2017 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, 2016 to March 31, 2017
III.	Book Closure Date:	September 4, 2017 to September 11, 2017 (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 2016-17 and 2017-18 has been paid to above Stock Exchanges. Annual Custody charges for the year 2017-18 have been paid to National Securities Depository Limited and Central Depository Services (India) Limited.
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 :

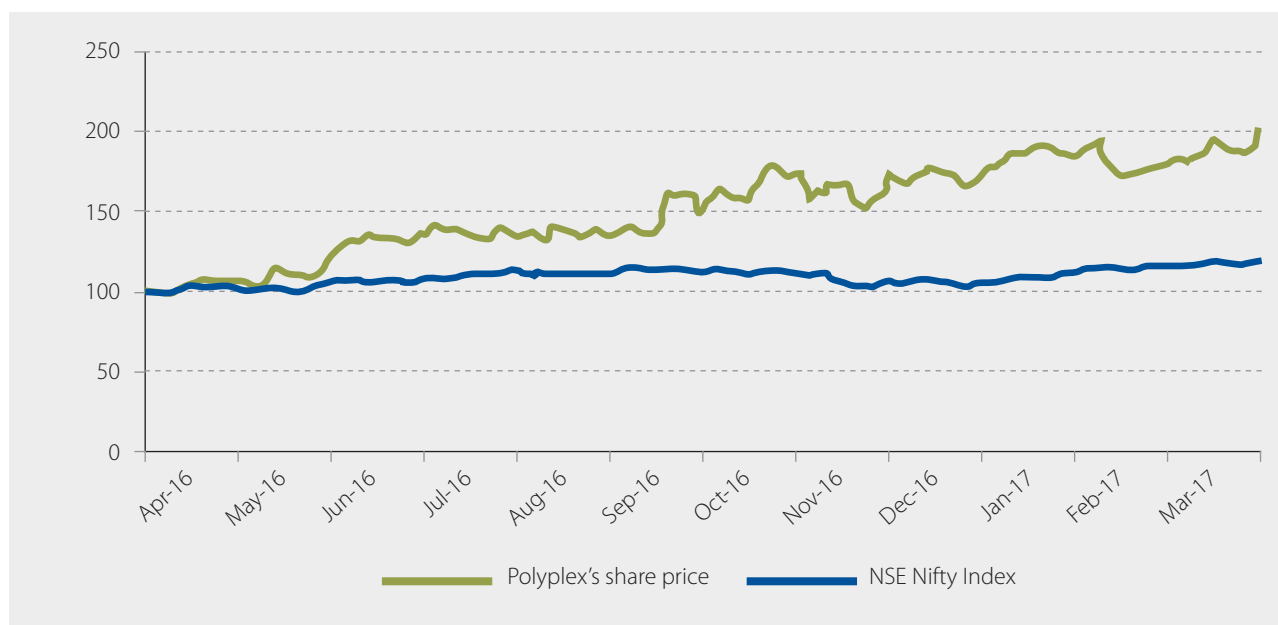
Share prices on BSE and the NSE during 2016-17 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
April 2016	227.80	195.90	62,527	230.00	197.40	2,76,125
May 2016	260.00	210.90	91,468	261.10	208.00	2,88,803
June 2016	291.50	242.50	1,21,107	292.00	250.00	4,95,997
July 2016	299.00	272.10	74,456	298.00	273.70	3,32,787
August 2016	315.00	268.40	99,911	309.85	265.00	4,24,656
September 2016	355.40	277.75	5,44,480	353.60	280.00	20,18,533
October 2016	378.80	318.00	2,09,900	379.50	313.25	11,04,767
November 2016	374.70	309.00	1,81,244	374.85	280.20	7,16,908
December 2016	386.00	340.00	1,06,678	410.70	340.50	3,96,774
January 2017	410.00	363.00	1,12,554	408.00	364.10	4,21,425
February 2017	412.00	352.00	94,911	412.00	355.50	4,37,739
March 2017	421.80	373.00	94,035	421.90	371.00	9,24,719
Total			17,93,271			78,39,233

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 (2016-17)



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 SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a) Distribution of shareholdings as on March 31, 2017:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	11,376	88.73	14,257,360	4.46
5001 to 10000	716	5.59	56,88,360	1.78
10001 to 20000	342	2.67	5,26,4420	1.65
20001 to 30000	104	0.81	26,58,490	0.83
30001 to 40000	72	0.56	26,25,510	0.82
40001 to 50000	45	0.35	20,78,470	0.65
50001 to 100000	80	0.62	57,89,680	1.81
100001 and above	86	0.67	2,81,483,710	88.00
Total	12,821	100%	3,19,846,000	100%

b) Categories of shareholders as on March 31, 2017

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	26,94,709	8.43
b)	Banks, Financial Institutions, and Insurance Companies	16,088	0.05
c)	Foreign Institutional Investors (FIIs)	4,82,444	1.51
d)	Bodies Corporates & NBFCs	50,45,217	15.77
e)	NRIs/OCBs	30,67,201	9.59
f)	Indian Public	46,77,407	14.62
	Sub-Total	1,59,83,066	49.97
	Grand Total	3,19,84,600	100.00

Note:

- Total Foreign shareholding as at March 31, 2017 was 16,711,779 shares constituting 52.25%.
- 2(d) above includes 60,600 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.
- 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, 2017

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	30,121,020	94.17	7,302
Central Depository Services (India) Limited	13,47,858	4.22	3,869
Total Dematerialised	3,14,68,878	98.39	11,171
Physical	5,15,722	1.61	1,650
Grand Total	3,19,84,600	100.00	12,821

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

XIV. As required by Regulation 39(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.	352	61,600
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	5	1000
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	5	1000
Number of shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	347	60,600

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

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 year ended 31st March 2017, as stipulated in regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and Para E 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

GAURAV LODHA

Partner

Membership No. 507462

Place: New Delhi

Date: July 25, 2017

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, 2017, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance 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 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, 2017, 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, 2016 ("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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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'.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note no. 27(B)(i) to the financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long- term contracts

including derivative contracts. Refer Note No. - 27(I) (i)&(ii) 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.
- iv. The Company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note no.27(W) to Standalone Financial Statements)

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

GAURAV LODHA
Partner

Place: New Delhi
Date: May 19, 2017

Membership No: 507462

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, 2017

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 Statements.
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 one body corporate 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) In respect of aforesaid loan, 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.
 - (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, 2017.

- (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)
		2009-2010	2.23	Jt. Commissioner (Appeal)
		2009-2010	1.55	Jt. Commissioner (Appeal)
		2015-2016	4.89	Jt. Commissioner (Appeal)
		2010-2011	1.71	Jt. Commissioner
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 and Penalty	2010-2015	2.84	Assistant Commissioner

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. The Company did not have any outstanding debentures during the year.
9. On the basis of information and explanations given to us, term loan 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 material 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, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
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 him. Accordingly, we are not offering 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

GAURAV LODHA
Partner
Membership No: 507462

Place: New Delhi
Date: May 19, 2017

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, 2017 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 judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Controls 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 Controls 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 Controls 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.,

Chartered Accountants
Firm's Registration No. 301051E

GAURAV LODHA

Partner

Place: New Delhi
Date: May 19, 2017

Membership No: 507462

BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

Particulars	Note No	As at 31 March, 2017	As at 31 March, 2016
I EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,256.32	3,256.32
Reserves and Surplus	3	42,525.17	39,845.34
Non Current Liabilities			
Long Term Borrowings	4	3,354.46	9,232.93
Deferred Tax Liabilities (Net)	5	272.83	93.76
Long Term Provisions	6	223.63	163.33
Current Liabilities			
Short Term Borrowings	7	11,797.34	3,366.98
Trade Payables	8	973.64	1,281.15
Other Current Liabilities	9	8,088.52	9,304.85
Short Term Provisions	10	133.00	1,111.87
TOTAL		70,624.91	67,656.53
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	38,147.69	41,589.05
Intangible Assets	11	11.48	13.12
Capital Work-in-Progress		10.28	219.34
Non Current Investments	12	4,698.71	1,951.43
Long Term Loans and Advances	13	2,882.97	2,594.96
Current Assets			
Current Investments	14	-	-
Inventories	15	11,980.79	8,992.52
Trade Receivables	16	8,236.05	6,415.38
Cash & Cash Equivalents	17	283.90	523.04
Short Term Loans and Advances	18	4,204.08	5,133.66
Other Current Assets	19	168.96	224.03
TOTAL		70,624.91	67,656.53
Significant accounting policies and other explanatory notes are integral part of Financial Statements	1, 27		

As per our report of even date attached

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

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

Particulars	Note No	Year ended 31 March, 2017	Year ended 31 March, 2016
Revenue from Operations	20	99,599.08	1,01,844.13
Less: Excise Duty		5,008.07	5,015.72
I Revenue from Operations (Net)		94,591.01	96,828.41
II Other Income	21	3,087.47	1,831.51
III Total Revenue (I + II)		97,678.48	98,659.92
IV Expenses			
Cost of Materials Consumed	22	67,120.51	66,208.29
Purchases of Stock-in-trade		-	-
Changes in Inventories	23	(889.75)	346.06
Employee Benefits Expense	24	6,081.12	6,878.26
Finance Costs	25	743.76	821.07
Depreciation and Amortisation		5,831.14	6,464.82
Other Expenses	26	14,411.19	14,449.16
Total Expenses		93,297.97	95,167.66
V Profit Before Exceptional Items and Tax (III - IV)		4,380.51	3,492.26
VI Exceptional Items (Gain) / Loss (Refer Note No: 27 G (ii))		-	996.00
VII Profit Before Tax (V - VI)		4,380.51	2,496.26
VIII Tax Expense			
Current Tax (Refer Note No: 27 T (i))		955.23	720.93
MAT Credit		(395.53)	(378.76)
Deferred Tax		179.07	(524.96)
Prior Period Adjustment - Tax		2.37	(16.13)
Total		741.14	(198.92)
IX Profit for the Period (VII - VIII)		3,639.37	2,695.18
X Earning Per Equity Share			
Basic (in ₹)		11.38	8.43
Diluted (in ₹)		11.38	8.43
Significant accounting policies and other explanatory notes are integral part of Financial Statements	1, 27		

As per our report of even date attached

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

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

	2016-17		2015-16	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		4,380.51		2,496.26
Adjustments For:				
Depreciation	5,831.14		6,464.82	
Provision for Doubtful Debts / Bad Debts Written Off	28.82		-	
Interest	743.76		821.07	
Unrealised Foreign Exchange (Gain) / Loss	(183.31)		(0.45)	
Excess Provision / Sundry Balances Written Back (Net)	(160.10)		(82.84)	
Loss / (Profit) on Sale of Fixed Assets (Net)	(8.28)		2.34	
Asset Written Off	0.01		6.04	
Loss / (Profit) on Sale of Investments	941.12		(29.37)	
Interest Received	(280.18)		(424.41)	
Dividend Received	(2,024.18)	4,888.80	(1,048.93)	5,708.27
Operating Profit Before Working Capital Changes		9,269.31		8,204.53
Adjustments For:				
Trade and Other Receivables	(2,389.09)		4,836.48	
Inventories	(2,988.27)		483.32	
Trade and Other Payables	(1,504.80)	(6,882.16)	657.88	5,977.68
Cash Generated From Operations		2,387.15		14,182.21
Taxes Paid		(857.99)		(802.11)
Cash Flow Before Exceptional Items		1,529.16		13,380.10
Exceptional Items		-		996.00
Net Cash From Operating Activities		1,529.16		14,376.10
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Incl Capital Advances)	(3,128.13)		(2,782.08)	
Sale of Fixed Assets	15.34		41.77	
Inter Corporate Deposits / Loans & Advances to Related Party	71.00		675.00	
Purchase of Short Term Investments	(7,885.00)		(88,780.00)	
Purchase of Long Term Investments	(2,748.27)		-	
Sale of Short Term Investments	7,894.48		90,344.37	
Sale of Long Term Investments	0.39		-	
Interest / Dividend Received	2,378.74		1,401.84	
Net Cash Used in Investing Activities		(3,401.45)		900.90

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

	2016-17		2015-16	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds From Long Term Borrowings	(4,363.25)		(10,471.05)	
Net Proceeds From Short Term Borrowings	8,659.78		(3,591.47)	
Interest Paid	(758.03)		(870.79)	
Dividends Paid	(1,905.35)		(801.81)	
Tax on Distributed Profits	–		–	
Net Cash Used in Financing Activities		1,633.15		(15,735.12)
Net Increase in Cash and Cash Equivalents		(239.14)		(458.12)
Cash and Cash Equivalents at the beginning of the year	406.52		860.35	
Other Bank Balances at the beginning of the year	116.52		120.81	
Total Cash and Bank Balances at the beginning of the year		523.04		981.16
Cash and Cash Equivalents at the end of the year	153.65		406.52	
Other Bank Balances at the end of the year	130.25		116.52	
Total Cash and Bank Balances at the end of the year		283.90		523.04

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date attached

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

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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, 2017

Note: 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

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 31 March, 2017	As at 31 March, 2016
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	3,19,84,600	3,19,84,600
Additions during the year	—	—
Shares outstanding as at the end of the year	3,19,84,600	3,19,84,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 March, 2017 No. of shares	As at 31 March, 2016 No. of shares
Mahalaxmi Trading & Investment Co Ltd	76,22,390	76,22,390
Secure Investments Ltd	55,35,744	55,35,744
K2 Family Trust through its Trustee IL & FS Trust Company Ltd	42,44,535	43,19,749

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.

In last five years there was no Bonus issue, buyback and / or issue of shares other than for cash considerations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 3 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
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	5,755.10	5,485.58
Transferred from Statement of Profit & Loss	100.00	269.52
Sub Total (c)	5,855.10	5,755.10
Surplus In Statement of Profit & Loss		
Balance Brought Forward	31,376.24	29,882.23
Add: Profit as per Statement of Profit and Loss	3,639.37	2,695.18
Corporate Dividend Tax - Proposed Dividend - Written Back	-	27.89
Less: Transferred to General Reserve	100.00	269.52
Interim Dividend	959.54	-
Corporate Dividend Tax - Interim Dividend	-	-
Proposed Dividend	-	959.54
Corporate Dividend Tax - Proposed Dividend	-	-
Net Surplus as per Statement of Profit & Loss	33,956.07	31,376.24
Sub Total (d)	33,956.07	31,376.24
TOTAL (a + b + c + d)	42,525.17	39,845.34

Note: 4 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Secured Term Loans From Banks		
Rupee Term Loan	-	-
Foreign Currency Term Loan	8,886.89	14,566.44
Sub Total (a)	8,886.89	14,566.44
Less: Current Portion		
Rupee Term Loan	-	-
Foreign Currency Term Loan	5,532.43	5,333.51
Sub Total (b)	5,532.43	5,333.51
TOTAL (a - b)	3,354.46	9,232.93

Loans are secured as under:

The Foreign Currency Term Loan of ₹8,886.89 Lacs (Previous year: ₹14,566.44 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
3,697.72	3	Semi Annual	2017-18	2018-19
1,711.43	5	Quarterly	2017-18	2018-19
3,477.74	7 @	Quarterly	2017-18	2018-19

@ In FY 2017-18: ₹425.00 Lacs quarterly, FY 2018-19: ₹500.00 Lacs for first two quarter & Balance ₹777.74 Lacs in 3rd quarter.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred Tax Asset		
Accrued Expenses Deductible on Payment Basis and Carry Forward Losses	(459.97)	(465.00)
Deferred Tax Liability		
Difference Between Book and Tax Depreciation	732.80	558.76
TOTAL	272.83	93.76

Note: 6 LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Retirement Benefits	223.63	163.33
TOTAL	223.63	163.33

Note: 7 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Secured Loans*		
Working Capital Demand Loans from Banks	5,652.16	2,730.28
Bank CC Account	3,727.09	448.40
Buyer's Credit	1,418.09	188.30
Sub Total (a)	10,797.34	3,366.98
Unsecured Loans		
Working Capital Demand Loans from Banks	1,000.00	-
Sub Total (b)	1,000.00	-
TOTAL (a + b)	11,797.34	3,366.98

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to ₹10,797.34 Lacs (Previous Year ₹3,366.98 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 31 March, 2017	As at 31 March, 2016
Total Outstanding due to		
Micro and small enterprises (Refer Note No: 27 D)	0.48	-
Other vendors other than micro and small enterprises (Refer Note No: 27 D)	973.16	1,281.15
TOTAL	973.64	1,281.15

Note: 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Current Maturity of Long Term Debt	5,532.43	5,333.51
Interest accrued but not due on borrowings	32.17	46.44
Unclaimed Dividend *	128.04	114.31
Security Deposits (including related party) (Refer Note No: 27 R)	127.46	113.84
Statutory Liabilities	293.76	312.68
Advance from Customers	369.48	493.92
Creditors for Capital Expenditure	-	13.18
Other liabilities	1,605.18	2,876.97
TOTAL	8,088.52	9,304.85

* On due, will be transferred to Investor Education and Protection Fund

Note: 10 SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Retirement Benefits	133.00	152.33
Proposed Dividend	-	959.54
Corporate Dividend Tax	-	-
TOTAL	133.00	1,111.87

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 11 FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block			Depreciation & Amortisation			Net Block	
	As at 01-Apr-16	Additions during the year	Sale / adjustments	As at 31-Mar-17	For the year	Sale / adjustments	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets								
Freehold Land	1,693.09	-	-	1,693.09	-	-	1,693.09	1,693.09
Leasehold Land	493.33	-	-	493.33	5.93	-	373.38	379.31
Buildings	13,869.04	95.60	-	13,964.64	621.09	-	8,186.70	8,712.19
Plant & Machinery	78,255.64	2,085.98	24.46	80,317.16	4,882.84	18.67	53,218.35	29,901.46
Electrical Installations	2,095.49	18.49	-	2,113.98	144.41	-	334.23	460.15
Furniture & Fixtures	456.50	23.07	-	479.57	21.25	-	82.53	80.71
Office Equipments	1,186.04	76.78	12.91	1,249.91	120.32	11.99	227.75	272.21
Vehicles	277.20	95.29	7.65	364.84	33.66	7.29	151.20	89.93
Total	98,326.33	2,395.21	45.02	1,00,676.52	5,829.50	37.95	62,528.83	41,589.05
Previous Year	96,523.72	1,942.79	140.18	98,326.33	50,364.75	90.03	56,737.28	-
Intangible Assets								
Computer Software	140.50	-	-	140.50	1.64	-	11.48	13.12
Total	140.50	-	-	140.50	1.64	-	11.48	13.12
Previous Year	140.50	-	-	140.50	2.26	-	13.12	-
Grand Total - Current Year	98,466.83	2,395.21	45.02	1,00,817.02	5,831.14	37.95	62,657.85	41,602.17
Grand Total - Previous Year	96,664.22	1,942.79	140.18	98,466.83	6,464.82	90.03	41,602.17	-

Notes :

- Freehold Land costing ₹8.79 Lacs (Previous Year ₹8.79 Lacs) is under Power of Attorney.
- Additions to Freehold Land during the 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.
- Addition to Plant & Machinery and Building includes Gain of ₹466.97 Lacs (Previous Year: Loss of ₹1,124.61 Lacs) on account of Foreign Exchange Fluctuation / Derivatives (Unamortized Fluctuation as on March 31, 2017: ₹2,148.85 Lacs) (Previous Year ₹3,031.45 Lacs).
- Addition to Plant & Machinery and Building includes ₹1.31 Lacs (Previous Year: ₹ Nil) on account of Interest on Loans.
- 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, 2017

Note: 12 NON CURRENT INVESTMENTS

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	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	1,00,000	463.83	1,00,000	463.83
(common stock, no par value)				
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	15,47,09,118	4,234.88	13,20,00,000	1,487.60
(Face Value: Baht 1)				
Sub Total (b)		4,234.88		1,487.60
TOTAL (a + b)		4,698.71		1,951.43
Note:				
Aggregate of Unquoted Investments (At Cost less Provisions)		463.83		463.83
Aggregate of Quoted Investments (At Book Value)		4,234.88		1,487.60
(At Market Value)		46,603.34		16,112.38

Note: 13 LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital advances to vendors	71.00	354.77
Security Deposits	830.65	654.40
MAT Credit Entitlement	1,981.32	1,585.79
TOTAL	2,882.97	2,594.96

Note: 14 CURRENT INVESTMENTS

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
(at lower of cost or fair value)				
(Other than Trade)				
(Quoted)				
Mutual Funds	-	-	-	-
TOTAL		-		-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 15 INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(as valued and certified by the Management) (at lower of cost or net realisable value)		
Raw Materials (incl stock in transit of ₹406.83 Lacs, Previous Year: ₹753.15 Lacs)	6,505.15	4,483.15
Stock in Process	1,088.80	720.90
Finished Goods (incl stock in transit of ₹945.40 Lacs, Previous Year: ₹747.43 Lacs)	2,904.01	2,332.35
Stores & Spares	1,482.83	1,456.12
TOTAL	11,980.79	8,992.52

Note: 16 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	1.65	10.54
Considered doubtful (Refer Note No: 27 S)	31.95	31.95
Less: Provision for Doubtful Debts	(31.95)	(31.95)
Other Debts		
Considered good	8,234.40	6,404.84
TOTAL	8,236.05	6,415.38

Note: 17 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Cash and Cash Equivalents		
Cash on hand	13.57	10.13
Cheques in hand	-	83.16
Bank balance with scheduled banks		
Current Accounts	140.08	313.23
Fixed Deposits with origin less than three months	-	-
TOTAL (a)	153.65	406.52
Earmarked Balances with Banks		
Unclaimed Dividend Accounts	128.04	114.31
TOTAL (b)	128.04	114.31
Other Bank Balances		
Fixed Deposits (Lien with Banks)	2.21	2.21
TOTAL (c)	2.21	2.21
TOTAL (a + b + c)	283.90	523.04

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017**Note: 18 SHORT TERM LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Related Party	1,475.25	2,496.25
Advances to Vendors and Others	842.04	1,119.89
Export Benefit Receivables	620.20	421.71
Prepaid Expenses	244.45	193.24
Deposits with Government Authorities & Others	34.24	39.26
Advance Tax (Net of Provisions)	338.89	438.50
Balance with Customs & Excise	649.01	424.81
TOTAL	4,204.08	5,133.66

Note: 19 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Discarded Plant & Machinery Held for sale	34.18	33.72
Other Receivables (including related party) (Refer Note No: 27 R)	134.78	190.31
TOTAL	168.96	224.03

Note: 20 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Sales		
Plastic Film	94,507.08	93,995.25
Resins	2,149.05	4,592.83
Others	1,032.50	1,147.76
Sub-Total (a)	97,688.63	99,735.84
Other Operating Income		
Liabilities Written Back	160.10	82.84
Insurance Claims Received	71.25	297.80
Export Incentive	1,679.10	1,727.65
Sub-Total (b)	1,910.45	2,108.29
TOTAL (a + b)	99,599.08	1,01,844.13

Note: 21 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Rental Income	237.98	250.88
Profit on Sale of Current Investments	9.48	29.37
Dividend Income	2,024.18	1,048.93
Foreign Exchange Fluctuation (Net)	455.10	62.02
Interest Income	280.18	424.41
Gain on Sale of Fixed Assets (Net)	8.28	-
Other Income / Claims (Net of Balances Written Off)	72.27	15.90
TOTAL	3,087.47	1,831.51

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 22 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Raw Material	64,302.51	63,540.53
Packing Material	2,818.00	2,667.76
TOTAL	67,120.51	66,208.29
Particulars of Material Consumed		
Petrochemicals (PTA, MEG, Polypropylene)	59,745.94	59,920.21
Packing Material	2,818.00	2,667.76
Others Raw Material	4,556.57	3,620.32
Total	67,120.51	66,208.29
Value & percentage of Imported and Indigenous Material consumed		
Imported (Value)	3,581.42	2,722.65
Imported (%)	5.34	4.11
Domestic (Value)	63,539.09	63,485.64
Domestic (%)	94.66	95.89
Total (value)	67,120.51	66,208.29
Total (%)	100.00	100.00

Note: 23 CHANGES IN INVENTORIES

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Opening Stock		
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
Closing Stocks		
Finished Goods	2,904.01	2,332.35
Stock in Process - Others / Rolls	269.76	259.21
Stock in Process - Chips	819.04	461.69
	3,992.81	3,053.25
Add : Increase / (Decrease) in Excise Duty on Stocks	49.81	1.50
Net Changes in Inventories	(889.75)	346.06

Note: 24 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Salaries, Wages, Bonus etc (Refer Note No: 27 U)	5,290.01	5,890.84
Contribution to Provident and other Funds	431.77	491.24
Staff Welfare Expenses	359.34	496.18
TOTAL	6,081.12	6,878.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 25 FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Expense	694.43	644.99
Other Borrowing Cost	49.33	176.08
TOTAL	743.76	821.07

Note: 26 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Manufacturing Expenses		
Job Work Charges	0.81	2.02
Stores and Spares Consumed	1,319.14	1,569.19
Power and Fuel	5,967.85	5,755.13
Repairs and Maintenance		
Building	89.24	128.40
Plant and Machinery	159.91	188.31
Sub Total (a)	7,536.95	7,643.05
Value & percentage of imported and indigenous Stores & spares consumed		
Imported (Value)	291.09	520.65
Imported (%)	22.07	33.18
Domestic (Value)	1,028.05	1,048.54
Domestic (%)	77.93	66.82
Total (value)	1,319.14	1,569.19
Total (%)	100.00	100.00
Administrative Expenses		
Rent	154.11	141.51
Insurance	315.09	254.94
Directors' Commission	42.00	28.00
Directors' Sitting Fee	29.50	21.67
Other Administrative Expenses	2,433.53	2,454.74
Sub Total (b)	2,974.23	2,900.86
Selling expenses		
Freight	3,519.51	3,331.03
Other Selling Expenses	301.32	482.05
Sub Total (c)	3,820.83	3,813.08
Other Expenses		
Asset Written Off	0.01	6.04
Loss on Sale of Fixed Assets (Net)	-	2.34
Donation	10.35	8.25
CSR Expenditure	40.00	75.54
Bad Debts	28.82	-
Sub Total (d)	79.18	92.17
TOTAL (a + b + c + d)	14,411.19	14,449.16

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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 ₹71.00 Lacs (Previous Year: ₹354.77 Lacs)) amounts to ₹200.58 Lacs (Previous Year: ₹1,640.33 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	99.45	93.76
Excise Duty & Customs Duty	382.36	41.14
Service Tax	-	12.55
Income Tax	728.71	727.31
Others	26.80	27.93

ii. Guarantees given to the banks and others amounts to ₹563.15 Lacs (Previous Year: ₹678.61 Lacs).

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

iv. Custom duty saved amounting to ₹959.45 Lacs (Previous Year: ₹706.23 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

C. The revenue expenditure of ₹395.05 Lacs (Previous Year: ₹441.39 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

D. 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	2016 - 17	2015 - 16
a)	i) Principal amount remaining unpaid at the end of the accounting year	0.48	-
	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.

E. 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 31 March, 2017	As at 31 March, 2016
Pre-operative expenses brought forward	6.91	-
Raw Material Consumed	2.45	-
Power & Fuel	1.72	-
Salary & Wages	-	-
Insurance	5.39	-
Interest on Term Loan	1.31	-
Foreign Exchange Fluctuation (Net)	(27.46)	-
Miscellaneous & Other Expenses	5.89	6.91
Total	(3.79)	6.91
Less : Scrap Sales	0.69	-
Less : Stock of finished goods at Commencement of Commercial Production	-	-
	(4.48)	6.91
Less : Allocated and Capitalised during the year	(4.48)	-
Balance Pending Allocation Transfer to Balance Sheet	-	6.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

F. i. Trade Receivables, Loans & Advances and Other Current Liabilities include the following:

(₹ in Lacs)

Particulars	Balance as at March 31, 2017	Maximum Outstanding Current Year	Balance as at March 31, 2016	Maximum Outstanding Previous Year
A. Subsidiaries / Step down subsidiaries				
Loans & Advances against reimbursement of expenses				
Polyplex (Thailand) Public Company Ltd.	-	19.42	-	2.77
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	-	15.14	-	3.81
Polyplex (Asia) Pte. Ltd.	-	-	-	-
Polyplex USA LLC	-	-	-	-
EcoBlue Ltd.	-	0.57	-	1.51
Receivable/(Payable) against sale/purchase of material				
Polyplex Trading (Shenzhen) Co. Ltd.	-	97.26	42.31	137.13
Polyplex Europa Polyester Film Sanayi Ticaret A.S.	138.64	265.03	44.44	629.47
Polyplex (Thailand) Public Company Ltd.	45.58	237.62	237.62	478.66
Polyplex USA LLC	1,499.65	3,146.10	1,227.76	3,818.86
Polyplex Europe B. V.	35.57	43.80	16.12	620.50
EcoBlue Ltd.	-	0.40	0.40	15.54
B. Others				
Interest free Loans to Employees	163.64	226.79	169.44	202.26

ii. Details of Investment made under section 186(4) of the Companies Act, 2016:

Investment in Equity Shares:

(₹ in Lacs)

Name	Investment Amount	No. of Shares Allotted	Date of Allotment / Transfer	% of Total Share Capital
Polyplex (Thailand) Public Company Limited:				
- Right Issue	2,747.28	2,27,09,118	June 07, 2016	17.19%
Peninsula Beverages and Foods Company Private Limited *:				
- Loan Converted into Equity Shares	950.00	95,00,000	December 20, 2016	100%
- Shares Purchased	0.99	98,74,555	September 03, 2016	100%

* Ceased to be Subsidiary w.e.f. February 13, 2017

iii. During the year the Company had purchased 98,74,555 Nos of equity shares of Peninsula Beverages and Foods Company Private Limited (PBF) from wholly owned subsidiary - Polyplex (Asia) Pte. Limited and had also converted Company's loan of ₹950 Lacs into 95,00,000 Numbers of equity shares of PBF. PBF has ceased to be subsidiary of the Company w.e.f. February 13, 2017.

G. i. Disclosure pursuant to regulation 34(3) & 53(F) of SEBI (LODR) Regulations, 2015

(₹ in Lacs)

Particulars	Balance as at March 31, 2017	Maximum Outstanding Current Year	Balance as at March 31, 2016	Maximum Outstanding Previous Year
Loans Given				
Subsidiaries / Step down subsidiaries				
Peninsula Beverages and Foods Company Pvt. Ltd.	-	996.00	996.00	996.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

- ii. Exceptional Item for the year ended March 31, 2017 ₹ Nil (Previous Year: ₹996 Lacs) represents provision towards outstanding balance of loan given to Peninsula Beverages & Foods Company Pvt Ltd.
- iii. Advances recoverable in cash or in kind under Loans & Advances (Note 26 F) include ₹ Nil (Previous Year: ₹ Nil) due from the Officer / Director. Maximum amount due during the Year ₹37.00 Lacs (Previous Year: ₹7.15 Lacs).
- H. Company has entered into operating lease agreement for a premise. Lease is non-cancellable for a period of three years and renewable thereafter on mutually agreed terms

(₹ in Lacs)

Particulars	Current Year	Previous Year
Total lease payment during the year	1.10	-
<i>(Recognized in Statement of Profit & Loss)</i>		
Minimum Lease Payments		
- Not later than one year	13.20	-
- Later than one year but not later than five year	26.62	-
- Later than five years	-	-

- I 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	Amount	Amount	Amount
		(Fx)	(₹ in Lacs)	(Fx)	(₹ in Lacs)
Loans - Long Term	USD	94,55,244	6,131.59	1,44,49,973	9,586.53
	EUR	39,78,331	2,755.30	66,30,551	4,979.91
Loans - Short Term	USD	56,80,229	3,683.55	39,88,793	2,646.28
	EUR	20,02,239	1,386.70	63,000	47.32
Debtors	USD	53,21,239	3,449.68	38,23,162	2,535.63
	EUR	10,15,763	703.29	4,80,496	360.78
Sundry Creditors	USD	1,68,442	109.23	1,95,804	129.90
	EUR	1,13,916	78.90	1,15,471	86.73
	JPY	-	-	75,000	0.45
Other Liabilities	USD	88,472	57.37	74,846	49.66
	EUR	-	-	666	0.50

- 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	12,50,000	USD / INR	USD	10,00,000
Forward Contracts	EURO / INR	EUR	11,21,508	EURO / INR	EUR	6,89,422
Forward Contracts	INR / USD	USD	-	INR / USD	USD	3,39,107

J. Payments to Auditors:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Audit Fee *	19.82	18.02
Tax Audit fee *	1.15	1.15
Certification & Other fees *	16.79	14.45
Out of Pocket Expenses	0.76	0.91
Total	38.52	34.53

* includes Service Tax

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

K. Expenditure in Foreign Currency:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Consultation Fees	21.36	13.21
Interest	432.07	536.62
Finance Charges	13.84	84.19
Brokerage & Commission	101.80	114.11
Others	192.03	176.33
Total	761.10	924.46

L. Earnings in Foreign Currency:

(₹ in Lacs)

Particulars	Current Year	Previous Year
FOB Value of Exports	23,581.08	24,340.74
(Including Deemed Exports of ₹ Nil, Previous Year ₹ Nil)		
Dividend (Gross) from Subsidiary Companies	2,024.18	1,048.93
Total	25,605.26	25,389.67

M. Dividend remitted in Foreign Currency:

Particulars	Current Year	Previous Year
Final Dividend	w.r.t. F.Y. 2015-16	w.r.t. F.Y. 2014-15
Amount of Dividend (₹ in Lacs)	394.74	328.95
Number of Non - Resident Shareholders	2	2
Number of Shares held by these Non - Residents	1,31,58,134	1,31,58,134
Interim Dividend	w.r.t. F.Y. 2016-17	-
Amount of Dividend (₹ in Lacs)	394.74	-
Number of Non - Resident Shareholders	2	-
Number of Shares held by these Non - Residents	1,31,58,134	-

N. CIF Value of imports:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Raw Material	3,956.48	3,263.10
Stores & Spares, Chemicals & Packing Material	445.25	670.27
Capital Goods	1,919.98	254.88
Total	6,321.71	4,188.25

- O. 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	242.83	219.61
Employer's Contribution to Superannuation Fund	62.76	60.06

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

(₹ 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	863.57	644.56	198.55	145.61
Current Service Cost	85.45	70.81	51.32	47.96
Interest Cost	59.15	49.63	13.60	11.21
Actuarial (Gain) / Loss	46.55	134.43	(5.40)	21.90
Benefit Paid	(53.41)	(35.86)	(25.73)	(28.13)
Defined Benefit Obligation at year end	1,001.31	863.57	232.35	198.55
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets :				
Fair value of Plan Assets at beginning of the year	837.78	555.33	-	-
Expected return on Plan Assets	71.92	53.86	-	-
Actuarial Gain / (Loss)	(3.56)	(7.14)	-	-
Employer Contribution	121.60	271.59	-	-
Benefit Paid	(53.41)	(35.86)	-	-
Fair value of Plan Assets at year end	974.33	837.78	-	-
c) Reconciliation of Fair Value of Assets and Obligations :				
Fair Value of Plan Assets as at year end	974.33	837.78	-	-
Present Value of Obligation as at year end	1,001.31	863.57	232.35	198.55
Net Assets/ (Liability)	(26.98)	(25.79)	(232.35)	(198.55)
d) Expenses Recognized during the year :				
Current Service Cost	85.45	70.81	51.33	47.96
Interest Cost	59.15	49.63	13.60	11.21
Expected return on Plan Assets	(71.93)	(53.86)	-	-
Actuarial (Gain) / Loss	50.11	141.57	(5.40)	21.90
Expense Recognised in Statement of Profit & Loss	122.78	208.15	59.53	81.07
e) Investment Details :				
LIC Group Gratuity (Cash Accumulation) Policy	100%	100%		
f) Actuarial assumption				
Mortality Table (L.I.C.)	1994 – 96	1994 – 96	1994 – 96	1994 – 96
	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (per annum)	6.85%	7.70%	6.85%	7.70%
Rate of Escalation in Salary (per annum)	7.00%	7.00%	7.00%	7.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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 31 March,				
	2017	2016	2015	2014	2013
Gratuity					
Obligations at year end	1,001.31	863.57	644.56	431.88	351.26
Plan Assets at year end, at fair value	974.33	837.78	555.33	469.76	452.48
Funded Status	(26.98)	(25.79)	(89.23)	37.88	101.22
Actuarial (Gain) / Loss on:					
Obligations	46.55	134.43	143.37	27.72	13.52
Plan Assets	3.56	7.14	2.69	1.20	(0.75)
Others					
Obligations at year end	232.35	198.55	145.61	102.12	81.77
Actuarial (Gain) / Loss on Obligation	(5.40)	21.90	31.07	(2.00)	(0.91)

P. Earnings per share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(₹ in Lacs)	3,639.37	2,695.18
Weighted average number of equity shares considered as Denominator for calculation of Basic EPS	(No.)	3,19,84,600	3,19,84,600
Weighted average number of equity shares considered as Denominator for calculation of Diluted EPS	(No.)	3,19,84,600	3,19,84,600
Basic EPS	(₹)	11.38	8.43
Diluted EPS	(₹)	11.38	8.43

Q. As per Accounting Standard – 17 on Segment Reporting, segment information has been provided in Notes to Consolidated Financial Statements.

R. 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 Pvt Ltd. (PBF) upto February 13, 2017
	k. Polyplex Europe B. V. (PEBV)
	l. Polyplex Paketleme Çözümleri Sanayi Ve Ticaret A.S. (PPC)

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)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

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. Altivulus 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. Utkarsh Trading and Holdings Limited
	l. Suresh Surana & Associates, LLP
	m. RSM Astute Consulting Private Limited
	n. Praxis Consulting & Information Services Private Limited
	o. 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	0.69 (-)	- (-)	29.70 (29.70)	32.64 (29.19)	63.03 (58.89)
2	Services Rendered	- (-)	- (-)	- (-)	140.47 (147.42)	140.47 (147.42)
3	Sale of Material	7,368.44 (8,828.65)	- (-)	- (-)	- (-)	7,368.44 (8,828.65)
4	Managerial Remuneration	- (-)	297.28 (544.98)	- (-)	- (-)	297.28 (544.98)
5	Commission to Director	- (-)	42.00 (28.00)	- (-)	- (-)	42.00 (28.00)
6	Director's Sitting Fees	- (-)	3.00 (2.20)	- (-)	- (-)	3.00 (2.20)
7	Donation Given	- (-)	- (-)	- (-)	- (4.00)	- (4.00)
8	Expenses Recovered	70.45 (13.05)	- (-)	- (-)	116.22 (126.60)	186.67 (139.65)
9	Loan given during the Year	- (75.00)	- (-)	- (-)	- (-)	- (75.00)
10	Dividend Received	2,024.18 (1,048.93)	- (-)	- (-)	- (-)	2,024.18 (1,048.93)
11	Interest Received	- (-)	- (-)	- (-)	149.62 (166.21)	149.62 (166.21)
12	Loan Recovered	46.00 (-)	- (-)	- (-)	25.00 (250.00)	71.00 (250.00)
13	Shares Purchased	0.99 (-)	- (-)	- (-)	- (-)	0.99 (-)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

(₹ in Lacs)

S. No.	Particulars	Subsidiaries of the Company	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
14	Investment in Equity Shares	2,747.28 (-)	- (-)	- (-)	- (-)	2,747.28 (-)
15	Loan converted into Equity Shares	950.00 (-)	- (-)	- (-)	- (-)	950.00 (-)
Outstanding at year end						
16	Receivables on account of sale of Goods / Services	1,719.43 (1,568.64)	- (-)	- (-)	20.82 (8.64)	1,740.25 (1,577.28)
17	Receivables on account of expenses recovered	- (-)	- (-)	- (-)	14.38 (9.59)	14.38 (9.59)
18	Loan	- (996.00)	- (-)	- (-)	1,450.00 (1,475.00)	1,450.00 (2,471.00)
19	Interest on Loan Recoverable	- (-)	- (-)	- (-)	- (81.35)	- (81.35)
20	Security Deposits Recoverable	- (-)	- (-)	20.25 (20.25)	5.00 (5.00)	25.25 (25.25)
21	Security Deposits Payable	- (-)	- (-)	- (-)	4.66 (4.66)	4.66 (4.66)
22	Payables	- (-)	42.00 (28.00)	- (-)	6.75 (5.07)	48.75 (33.07)
23	Investment in Equity / Shares	4,698.71 (1,951.43)	- (-)	- (-)	- (-)	4,698.71 (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 Company	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	- (-)	- (-)	18.46 (17.43)
	Dalhousie Villa Private Limited	- (-)	- (-)	7.92 (7.92)
2	Services Rendered			
	Beehive Systems Private Limited	- (-)	- (-)	36.00 (36.00)
	Manupatra Information Solutions Private Limited	- (-)	- (-)	30.54 (21.99)
	RSM Astute Consulting Private Limited	- (-)	- (-)	24.17 (32.12)
	Suresh Surana & Associates LLP	- (-)	- (-)	24.17 (15.53)
3	Sale of Material			
	Polyplex USA LLC	6,182.42 (6,136.86)	- (-)	- (-)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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

(₹ in Lacs)

S. No.	Particulars	Subsidiaries of Company	KMP / Relative of KMP	Enterprises over which significant influence exist
	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	869.03 (1,657.72)	- (-)	- (-)
4	Expenses Recovered			
	Beehive Systems Private Limited	- (-)	- (-)	36.70 (36.44)
	Manupatra Information Solutions Private Limited	- (-)	- (-)	38.59 (19.89)
	Polyplex (Thailand) Public Co Limited	42.03 (2.77)	- (-)	- (-)
	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	27.81 (7.61)	- (-)	- (-)
5	Shares Purchased			
	Polyplex (Asia) Pte Ltd.	0.99 (-)	- (-)	- (-)
6	Investment in Equity Shares			
	Polyplex (Thailand) Public Co Limited	2,747.28 (-)	- (-)	- (-)
7	Loan Recovered			
	Utkarsh Trading and Holdings Ltd.	- (-)	- (-)	25.00 (250.00)
	Peninsula Beverages and Food Company Private Limited	46.00 (-)	- (-)	- (-)
8	Loan converted into Equity Shares			
	Peninsula Beverages and Food Company Private Limited	950.00 (-)	- (-)	- (-)
9	Payment to Key Managerial Personnel			
	Mr. Sanjiv Saraf	- (-)	42.00 (28.00)	- (-)
	Mr. Pranay Kothari #	- (-)	137.91 (307.22)	- (-)
	Mr. Manish Gupta	- (-)	89.72 (185.23)	- (-)
	Mr. Ashok Kumar Gurnani	- (-)	69.65 (52.53)	- (-)
10	Dividend Received			
	Polyplex (Asia) Pte Ltd.	2,024.18 (805.20)	- (-)	- (-)
11	Interest Received			
	Utkarsh Trading and Holdings Ltd.	- (-)	- (-)	149.62 (166.21)

Net of remuneration written back of ₹ 98.43 Lacs for FY 2015-16 (Previous Year - ₹ 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, 2017

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

- S. 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.
- T. (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 ₹ Nil (Previous Year: ₹24.37 Lacs)
- (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.
- U. Salary expenditure during previous year is higher because of one-time special incentive paid to certain employees.
- V. 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.

W. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as under:

Particulars	SBN'S	Other denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	14,39,500	3,97,760	18,37,260
(+) Permitted Received	-	36,25,185	36,25,185
(-) Permitted Payment	-	20,95,615	20,95,615
(-) Amount Deposited in Bank	14,39,500	-	14,39,500
Closing Cash in Hand as on 30.12.2016	-	19,27,330	19,27,330

- X. Dividend proposed to be distributed for Equity Shareholders @ ₹4 / share amounting to ₹1,539.85 Lacs (including Dividend Corporate Tax of ₹260.46 Lacs)
- Y. Previous Year's figures have been re-grouped/re-classified accordingly.
- Z. 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 and on behalf of the Board of Directors

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

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

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 together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March 2017, 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 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 these 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 terms 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 2017, 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 nine subsidiaries, whose financial statements reflect total assets of ₹4,18,403.08 Lacs and net assets of ₹2,37,221.30 Lacs as at 31st March, 2017, total revenues of ₹2,04,754.35 Lacs and net cash outflows of ₹14,611.63 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) 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.

Certain of these subsidiaries are located outside India whose Financial Statements and other financial information have been

prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the Financial Statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) We did not audit the Financial Statements of one subsidiary (ceased during the year), whose Financial Statements reflect total revenue of ₹11 Lacs as considered in the Consolidated Financial Statements. These Financial Statements are unaudited and 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 this Subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements are not material to the Group.

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 and the Financial Statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Financial Statements and the other financial information of subsidiaries, and, as noted in the 'other matter' paragraph, 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 31st March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31st March 2017 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 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) 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.
 - iv. The Company has provided requisite disclosures in its Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 28 (K) to the Consolidated Financial Statements.

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

GAURAV LODHA
Partner
Membership No: 507462

Place: New Delhi
Date: May 19, 2017

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 31st March 2017, we have audited the Internal Financial Controls over financial reporting of Polyplex Corporation Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, 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 Holding 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") 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

Holding 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 companies 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 Holding Company, 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 2017, 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

GAURAV LODHA
Partner

Place: New Delhi
Date: May 19, 2017

Membership No: 507462

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Lacs)

Particulars	Note No	As at 31 March, 2017	As at 31 March, 2016
I EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	3,256.32	3,256.32
Reserves and Surplus	3	2,34,732.98	2,28,865.03
Minority Interest		82,418.64	63,519.96
Non Current Liabilities			
Long Term Borrowings	4	41,050.35	71,412.33
Deferred Tax Liabilities (Net)	5	-	-
Other Long Term Liabilities	6A	30.69	61.42
Long Term Provisions	6B	757.97	647.98
Current Liabilities			
Short Term Borrowings	7	25,240.69	49,602.89
Trade Payables	8	25,615.82	18,654.66
Other Current Liabilities	9	23,922.28	19,385.61
Short Term Provisions	10	133.00	1,223.61
TOTAL		4,37,158.74	4,56,629.81
II ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	2,21,159.32	2,40,146.07
Intangible Assets	11	75.12	116.70
Capital Work-in-Progress		1,026.34	293.28
Goodwill on Consolidation		12.55	330.25
Non Current Investments	12	9,846.54	-
Long Term Loan and Advances	13	3,630.77	3,033.15
Other Non-Current Assets	14	363.77	476.32
Deferred Tax Assets (Net)	5	2,507.11	2,679.08
Current Assets			
Current Investments	15	128.32	83.37
Inventories	16	43,571.89	40,951.75
Trade Receivables	17	46,845.79	42,955.32
Cash & Cash equivalents	18	98,175.83	1,13,500.13
Short Term Loans and Advances	19	7,749.95	8,925.12
Other Current Assets	20	2,065.44	3,139.27
TOTAL		4,37,158.74	4,56,629.81
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 Lodha & Co.
Chartered Accountants
(FRN: 301051E)

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

Particulars	Note No	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Revenue from Operations	21	3,25,775.17	3,25,219.31
Less: Excise Duty		5,008.07	5,015.72
I Revenue from Operations (Net)		3,20,767.10	3,20,203.59
II Other Income	22	9,675.90	3,358.02
III Total Revenue (I + II)		3,30,443.00	3,23,561.61
IV Expenses			
Cost of Materials Consumed	23	1,80,087.89	1,85,615.59
Purchases of Stock-in-trade		12,544.97	3,707.77
Changes in Inventories	24	930.02	1,370.70
Employee Benefits Expense	25	29,344.27	29,515.17
Finance Costs	26	3,542.27	4,807.91
Depreciation and Amortisation		20,216.28	20,895.56
Other Expenses	27	53,047.51	64,666.81
Total Expenses		2,99,713.21	3,10,579.51
V Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		30,729.79	12,982.10
VI Exceptional Items (gain) / Loss (Refer Note 28E)		(5,627.95)	6,565.82
VII Profit Before Tax (V - VI)		36,357.74	6,416.28
VIII Tax Expense			
Current Tax		1,460.35	1,159.02
MAT Credit		(395.53)	(378.76)
Deferred Tax		179.07	4,027.46
Prior Period Adjustment - Tax		2.37	(16.13)
Total		1,246.26	4,791.59
IX Profit for the Period before Minority Interest (VII - VIII)		35,111.48	1,624.69
X Less: Minority Interest		12,967.91	(1,279.14)
XI Profit for the Period after Minority Interest (IX - X)		22,143.57	2,903.83
XII Earning Per Equity Share			
Basic (in ₹)		69.23	9.08
Diluted (in ₹)		69.23	9.08
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 Lodha & Co.
Chartered Accountants
(FRN: 301051E)

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

Particulars	2016-2017		2015-2016	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax		36,357.74		6,416.28
Adjustments For:				
Depreciation / Amortization	20,291.87		20,969.89	
Provision for doubtful debts/ bad debts written off	76.76		17.60	
Interest Expenses	3,542.27		4,807.91	
Interest Income	(2,529.58)		(2,917.57)	
Impairment Loss on Property, Plant & Equipment	-		6,565.82	
Unrealised foreign exchange (gain) / loss	(5,421.13)		6,889.75	
Excess provision / sundry balances written back	(290.97)		(93.08)	
Provision for Doubtful Debts written back	(5.86)		(35.29)	
Exceptional Item (Loss / (Gain) on sales of investment in subsidiary)	(5,627.95)		-	
Loss/(Gain) on sale of fixed assets (net)	22.04		9.82	
Asset written off	15.91		6.85	
Profit on sale of investments	(108.77)	9,964.59	(29.54)	36,192.16
Operating Profit Before Working Capital Changes		46,322.33		42,608.44
Adjustments For:				
Trade and other receivables	(3,555.72)		(98.36)	
Inventories	(2,620.14)		2,482.71	
Trade payables and Other Liability	5,261.95	(913.91)	349.06	2,733.41
Cash Generated From Operations		45,408.42		45,341.85
Taxes Paid		(1,556.64)		(550.40)
Net Cash From Operating Activities		43,851.78		44,791.45
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & CWIP Including Advances	(7,193.76)		(5,186.05)	
Sale of Fixed Assets	18.42		417.46	
Sale of Investment in Subsidiary	6,569.85		-	
Purchase of Long Term Investments	(9,846.54)		-	
Purchase of Short Term Investments	(10,534.13)		(88,780.00)	
Sale of Short Term Investments- MF	10,597.95		90,352.22	
(Decrease) / Increase in Minority Interest {net of dividend paid}	4,988.87		(1,092.34)	
Interest/Dividend received	3,951.89		2,244.80	
Net Cash Used in Investing Activities		(1,447.45)		(2,043.91)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Lacs)

Particulars	2016-2017		2015-2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share premium	2,994.27		-	
Net Proceeds / (Repayment) of Long Term Borrowings	(20,950.51)		(35,568.16)	
Net proceeds/ (Repayment) from Short Term Borrowings	(24,132.78)		(6,060.62)	
Interest paid	(3,585.17)		(4,868.09)	
Dividends paid	(1,890.99)		(801.81)	
Net Cash Used In Financing Activities		(47,565.18)		(47,298.68)
D. CHANGE IN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION		(10,163.45)		10,614.29
Net Increase in Cash and Cash Equivalents		(15,324.30)		6,063.15
Cash and Cash Equivalents as at beginning of the year	44,028.75		30,674.64	
Other Bank balances as at beginning of the year	69,471.38		76,762.34	
Total Cash & bank balances as at beginning of the year		1,13,500.13		1,07,436.98
Cash and Cash Equivalents as at end of the year	28,646.59		44,028.75	
Other Bank balances as at end of the year	69,529.24		69,471.38	
Total Cash & bank balances as at end of the year		98,175.83		1,13,500.13

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)

Gaurav Lodha
Partner
Membership No. 507462

Place: New Delhi
Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari
Executive Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 19, 2017

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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, 2017, 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)
EcoBlue Limited (EcoBlue)#	Thailand	66.50% (6)
Polyplex Europe B.V. (PEBV)	Netherlands	100% (1)
Polyplex Paketleme Çözümleri Sanayi Ve Ticaret Anonim Sirketi (PP)	Turkey	100% (7)

- (1) 100% Subsidiary of PTL.
- (2) 100% Subsidiary of PSPL. Includes 4 shares not registered in the name of the PSPL, beneficial interest being held by PSPL.
- (3) 100% Subsidiary of PSPL
- (4) 100% Subsidiary of PAPL
- (5) 100% Subsidiary of PAH
- (6) 66.50% share being held by PTL
- (7) 100% Subsidiary of PE

w.e.f 1st July, 2016, PTL shareholding in the EcoBlue has been decreased to 66.50% from 74%.

w.e.f 13th February, 2017 Peninsula Beverages and Foods Company Private Limited (PBF) ceased to be Subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

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		Share in Profit & Loss		Net Assets		Share in Profit & Loss	
	(Total Assets - Total Liabilities)				(Total Assets - Total Liabilities)			
	As % of Consolidated net assets	Amount (₹ In Lacs)	As % of Consolidated Profit & Loss	Amount (₹ In lacs)	As % of Consolidated net assets	Amount (₹ In Lacs)	As % of Consolidated Profit & Loss	Amount (₹ In lacs)
Parent Company								
Polyplex Corporation Limited	19.24	45,781.87	16.44	3,639.74	18.60	43,101.66	92.81	2,695.17
Subsidiaries								
Indian								
Peninsula Beverages and Foods Company Private Limited	-	-	(0.08)	(17.89)	(0.40)	(931.46)	(2.27)	(65.88)
Foreign								
Polyplex (Asia) Pte. Limited	45.55	1,08,398.43	32.29	7,150.20	45.53	1,05,527.27	56.82	1,649.97
PAR LLC	0.56	1,340.52	(0.06)	(12.27)	0.60	1,379.84	(0.43)	(12.49)
Polyplex (Thailand) Public Company Limited	30.85	73,419.93	42.98	9,516.56	22.38	51,881.65	(213.72)	(6,206.03)
Polyplex (Singapore) Pte. Limited	3.64	8,656.17	(0.03)	(6.61)	3.73	8,655.84	(0.21)	(6.08)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	52.83	1,25,725.11	61.87	13,700.28	52.55	1,21,811.03	410.53	11,921.07
Polyplex Trading (Shenzhen) Co. Limited	0.06	149.71	(0.34)	(75.54)	0.10	240.95	0.75	21.87
Polyplex America Holdings Inc	12.55	29,869.18	(0.35)	(77.98)	9.34	21,655.07	(166.37)	(4,831.24)
Polyplex USA LLC	6.18	14,705.27	7.62	1,686.99	4.02	9,324.17	(233.78)	(6,788.44)
EcoBlue Limited	0.57	1,362.63	2.08	461.19	0.39	905.05	8.47	245.85
Polyplex Europe B.V.	0.16	374.71	0.32	71.55	0.14	335.97	3.55	103.09
Polyplex Paketleme Çözumleri Sanayi VE Ticaret Anonim Sirketi	0.09	212.75	0.78	173.67	0.04	85.53	1.55	45.01
TOTAL	172.28	4,09,996.26	163.52	36,209.90	157.03	3,63,972.57	(42.29)	(1,228.13)
Adjustment for:								
Minority Interest in Subsidiaries	(34.63)	(82,418.64)	(58.56)	(12,967.91)	(27.40)	(63,519.96)	44.05	1,279.14
Total Eliminations arising out of consolidation	(37.65)	(89,600.87)	(4.96)	(1,098.42)	(29.62)	(68,661.51)	98.24	2,852.82
TOTAL	100.00	2,37,976.75	100.00	22,143.57	100.00	2,31,791.10	100.00	2,903.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 1 SIGNIFICANT ACCOUNTING POLICIES

- (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.

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 ₹0.84 Lacs {EUR 1,216} at March 31, 2017) 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, 2017

Note: 2 SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
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	3,19,84,600	3,19,84,600
Additions during the year (Bonus Shares)	-	-
Shares outstanding as at the end of the year	3,19,84,600	3,19,84,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at 31 March, 2017 No. of shares	As at 31 March, 2016 No. of shares
Mahalaxmi Trading & Investment Co Limited	76,22,390	76,22,390
Secure Investments Limited	55,35,744	55,35,744
K2 Family Trust through its Trustee IL & FS Trust Company Ltd	42,44,535	43,19,749

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.

In last five years there was no Bonus issue, buyback and / or issue of shares other than for cash considerations.

Note: 3 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
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	15,473.43	15,731.18
Less : Bonus shares issued	-	-
Add : Addition during the year	2,994.27	-
Add : Updation on Translation Adjustment	65.83	(505.42)
Less : Minority Interest	4,651.77	(247.67)
Sub Total (b)	13,881.76	15,473.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 3 RESERVES AND SURPLUS (Contd.)

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Legal Reserve#		
As per last Balance Sheet	1,802.78	1,838.18
Addition during the year	-	-
Updation on Translation Adjustment	4.61	(35.40)
Sub Total (c)	1,807.39	1,802.78
General Reserve		
As per last Balance Sheet	5,755.10	5,485.58
Transferred from Profit & Loss Account	100.00	269.52
Sub Total (d)	5,855.10	5,755.10
Surplus as Per Profit & Loss Account		
Surplus Bought Forward	1,55,151.35	1,53,448.68
Add:		
Profit as per Profit & Loss Statement	22,143.57	2,903.83
Corporate Dividend Tax - Proposed Dividend - Written Back	-	27.90
Other Adjustment to R&S	(297.91)	-
Less:		
Transferred to General Reserve	100.00	269.52
Adjustment: Deferred Tax Adjusted (net of minority interest)	-	-
Adjustment: Transferred to cost of control	-	-
Interim Dividend	959.54	-
Corporate Dividend Tax - Interim Dividend	-	-
Proposed Dividend	-	959.54
Corporate Dividend Tax - Proposed Dividend	-	-
Sub Total (e)	1,75,937.47	1,55,151.35
Foreign Exchange Translation Reserve (Including arised on Consolidation)		
As per last Balance Sheet	50,258.21	31,905.15
Addition during the year	(13,431.11)	18,353.06
Sub Total (f)	36,827.10	50,258.21
TOTAL (a + b + c + d + e + f)	2,34,732.98	2,28,865.03

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 31 March, 2017	As at 31 March, 2016
Secured Term Loans From Banks		
Foreign Currency Term Loan	56,003.98	79,801.34
Sub Total (a)	56,003.98	79,801.34
Less: Current Portion		
Foreign Currency Term Loan	14,953.63	8,389.01
Sub Total (b)	14,953.63	8,389.01
TOTAL (a - b)	41,050.35	71,412.33

Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

Note: 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred Tax Asset		
Accrued Expenses Deductible on Payment basis and Carry Forward Losses	(3,239.91)	(3,237.84)
Deferred Tax Liability		
Difference Between Book and Tax Depreciation	732.80	558.76
TOTAL	(2,507.11)	(2,679.08)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 6A OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Financial Lease Liability	30.69	61.42
TOTAL	30.69	61.42

Note: 6B LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Retirement Benefits	757.97	647.98
TOTAL	757.97	647.98

Note: 7 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Secured Loans		
Loans from Banks repayable on Demand	22,822.60	49,414.59
Buyer's Credit	1,418.09	188.30
Sub Total (a)	24,240.69	49,602.89
Unsecured Loans		
Loans from Banks repayable on Demand	1,000.00	-
Sub Total (b)	1,000.00	-
TOTAL	25,240.69	49,602.89

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 31 March, 2017	As at 31 March, 2016
Total Outstanding due to		
Micro and small enterprises	0.48	-
Other vendors other than micro and small enterprises	25,615.34	18,654.66
TOTAL	25,615.82	18,654.66

Note: 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Current Maturity of Long Term Debt	14,953.63	8,389.01
Current Maturity of Finance Lease	29.52	28.94
Interest accrued but not due on borrowing	122.87	165.77
Unclaim Dividend #	142.51	114.42
Dividend Payable	-	-
Other Security Deposits	129.23	144.15
Statutory liability	942.52	700.73
Creditors for Capital Expenses	265.88	213.67
Advance from Customers	1,555.38	1,167.62
Other liabilities	5,780.74	8,461.30
TOTAL	23,922.28	19,385.61

on due, will be transferred to Investor Education and Protection Fund.

Note: 10 SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Provision for Retirement Benefits	133.00	264.07
Proposed Dividend	-	959.54
Corporate Dividend Tax	-	-
TOTAL	133.00	1,223.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 11

FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block			Depreciation & Amortisation			Net Block	
	As at 01-Apr-16	Additions during the year	Sale / adjustments*#	As at 31-Mar-17	As at 01-Apr-16	For the year adjustments	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets								
Freehold Land	8,543.25	-	107.49	8,435.76	-	-	-	8,543.25
Leasehold Land	493.33	-	-	493.33	114.02	5.93	119.95	379.31
Buildings	71,864.21	244.57	1,206.77	70,902.01	15,069.16	2,800.06	16,912.24	53,989.77
Plant & Machinery	2,93,451.26	4,582.87	5,262.98	2,92,771.15	1,20,809.30	16,601.96	1,36,253.00	1,72,641.96
Electrical Installations	2,095.49	18.49	-	2,113.98	1,635.34	144.41	1,779.75	334.23
Furniture & Fixtures	1,789.96	245.58	228.52	1,807.02	1,477.12	101.70	1,309.80	497.22
Office Equipments	3,192.45	76.94	(119.36)	3,388.75	2,501.38	360.19	2,704.02	684.73
Vehicles	1,345.14	95.29	75.79	1,364.64	1,022.70	164.77	1,038.56	326.08
TOTAL	3,82,775.09	5,263.74	6,762.19	3,81,276.64	1,42,629.02	20,179.02	1,60,117.32	2,21,159.32
Previous Year	3,76,153.72	4,770.84	(1,850.53)	3,82,775.09	1,19,872.55	20,815.38	1,42,629.02	2,40,146.07
INTANGIBLE ASSETS								
Computer Software	534.55	-	22.24	512.31	417.85	37.26	437.19	75.12
Total	534.55	-	22.24	512.31	417.85	37.26	437.19	75.12
Previous Year	495.58	0.52	(38.45)	534.55	316.64	80.18	417.85	116.70
Grand Total - Current Year	3,83,309.64	5,263.74	6,784.43	3,81,788.95	1,43,046.87	20,216.28	1,60,554.51	2,21,234.44
Grand Total - Previous Year	3,76,649.30	4,771.36	(1,888.98)	3,83,309.64	1,20,189.19	20,895.56	1,43,046.87	2,40,262.77
								-

Notes :

* Sale/Adjustment includes adjustment of foreign exchange fluctuation loss of ₹6,612.24 Lacs (Previous Year gain of ₹9,194.57 Lacs).

Sale/Adjustment includes allowance for Impairment of assets of ₹ Nil Lacs (Previous Year ₹6,565.82 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 12 NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31 March, 2017		As at 31 March, 2016	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
(At Cost less Provision)				
Long Term Investments - Other Than Trade)				
Investment in Bonds		9,846.54		-
Total		9,846.54		-

Note:

- Aggregate of Unquoted Investments (At Cost Less Provision)

Note: 13 LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Capital Advances to Vendors	718.25	701.33
Security Deposits	931.20	746.03
MAT Credit Entitlement	1,981.32	1,585.79
TOTAL	3,630.77	3,033.15

Note: 14 OTHER NON-CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Export Incentives	70.17	3.24
Miscellaneous Expenditure (to the extent not written off)	41.00	77.11
Fixed Deposit with Banks	252.60	395.97
TOTAL	363.77	476.32

Note: 15 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Other than Trade)		
(Unquoted - Other than Shares)		
Mutual Funds		
Other investment	128.32	83.37
TOTAL	128.32	83.37

Note: 16 INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(as valued and certified by the Management)		
(at lower of cost or net realisable value)		
Raw Materials	13,164.03	9,593.14
(including stock in transit of ₹601.62 Lacs, Previous year: ₹1297.78 Lacs)		
Stock in Process	6,694.84	5,865.28
Finished Goods (including Traded stock)	16,154.69	17,864.46
(including stock in transit of ₹3570.49 Lacs, Previous year: ₹3689.50 Lacs)		
Stores & Spares	7,558.33	7,628.87
TOTAL	43,571.89	40,951.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 17 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	68.15	339.43
Considered doubtful	133.19	176.18
Less: Provision for Doubtful Debts	(133.19)	(176.18)
Other Debts		
Considered good	46,777.64	42,615.89
TOTAL	46,845.79	42,955.32

Note: 18 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Cash and Cash Equivalents		
Cash on hand	111.85	56.72
Cheques in hand	-	83.16
Bank balance with scheduled banks		
Current Accounts	140.08	327.51
Fixed Deposits with origin less than three months	-	-
Bank balance with non-scheduled banks		
Current Accounts	6,010.56	9,761.77
Fixed Deposits with origin less than three months	22,384.10	33,799.59
Sub Total (a)	28,646.59	44,028.75
Earmarked balance with banks		
Unpaid Dividend Accounts	128.04	114.31
Fixed Deposits with origin more than one year	252.60	395.97
	380.64	510.28
Less: Fixed Deposit presented under Other Non Current Assets (Note 14)	(252.60)	(395.97)
Sub Total (b)	128.04	114.31
Other bank balances		
Fixed Deposits (Lien with Banks)	2.21	2.21
Fixed Deposits with origin more than three months	9,728.84	1,654.38
Fixed Deposits with origin more than one year	59,670.15	67,700.48
Sub Total (c)	69,401.20	69,357.07
TOTAL (a + b + c)	98,175.83	1,13,500.13

Note: 19 SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
(Unsecured, considered good unless otherwise stated)		
Loans and Advances to Related Party	1,475.25	1,500.25
Advances to Vendors & others	2,203.02	4,494.79
Export Benefit Receivables	832.98	674.27
Prepaid Expenses	393.69	411.76
Inter-corporate deposit	-	-
Deposits with Government Authorities & Others	1,432.83	960.98
Advance Tax (Net of Provisions)	583.25	93.80
Balance with Customs & Excise	828.93	789.27
TOTAL	7,749.95	8,925.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 20 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 March, 2017	As at 31 March, 2016
Discarded Plant & Machinery held for sale	34.18	33.72
Other Receivables	2,031.26	3,105.55
TOTAL	2,065.44	3,139.27

Note: 21 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Sales		
Plastic Films	3,02,790.56	3,09,339.30
Resins	5,230.74	7,516.77
Others	14,956.36	5,204.73
Gross Sales	3,22,977.66	3,22,060.80
Other Operating Income		
Liabilities Written Back	290.97	93.08
Provision for Doubtful Debts Written Back	5.86	35.29
Insurance Claims Received	203.22	839.27
Export Incentive Received	2,129.59	2,184.48
Prior Period Income	167.87	6.39
TOTAL	3,25,775.17	3,25,219.31

Note: 22 OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Rental Income	237.98	250.88
Profit on Sale of Current Investments	108.77	29.54
Job work Income	-	1.65
Dividend Income	-	-
Foreign Exchange Fluctuation Gain (Net)	6,706.62	-
Interest Income	2,529.58	2,917.57
Profit on Sale of Fixed Assets (Net)	-	-
Miscellaneous Income	92.95	158.38
TOTAL	9,675.90	3,358.02

Note: 23 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Raw Material	1,67,599.04	1,72,571.35
Packing Material	12,488.85	13,044.24
TOTAL	1,80,087.89	1,85,615.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 24 CHANGES IN INVENTORIES

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Opening Stock		
- 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: Transfer from Preoperative Process		
Closing Stocks		
- Finished Goods	16,154.69	17,864.46
- Stock in Process - Chips / Others	6,694.84	5,865.28
	22,849.53	23,729.74
Add : Increase / (Decrease) in Excise Duty on Stocks	49.81	1.50
Net Changes in Inventories	930.02	1,370.70

Note: 25 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Salaries, Wages, Bonus etc	25,972.54	25,893.39
Contribution to Provident and other Funds	1,339.56	1,389.23
Staff Welfare Expenses	2,032.17	2,232.55
TOTAL	29,344.27	29,515.17

Note: 26 FINANCE COSTS

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Interest Expense	3,383.07	4,604.18
Other Borrowing Cost	159.20	203.73
TOTAL	3,542.27	4,807.91

Note: 27 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Manufacturing Expenses		
Job Work Charges	1.57	2.18
Stores & Spares Consumed	7,820.62	7,717.83
Power & Fuel	19,196.32	20,049.14
Repairs and Maintenance:		
Building	319.57	373.36
Plant & Machinery	2,255.69	2,609.39
Sub Total (a)	29,593.77	30,751.90
Administrative Expenses		
Rent	786.31	847.51
Insurance	1,182.88	1,188.74
Directors' Commission	42.00	28.00
Directors' Sitting Fee	29.50	21.67
Other Administrative Expenses	6,736.95	9,076.46
Sub Total (b)	8,777.64	11,162.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 27 OTHER EXPENSES (Contd.)

(₹ in Lacs)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Selling expenses		
Freight	11,456.19	12,321.17
Other Selling Expenses	2,963.31	4,417.63
Sub Total (c)	14,419.50	16,738.80
Other Expenses		
Asset Written Off	15.91	6.85
Provision for Doubtful Advance to supplier	-	21.66
Loss on Sale of Fixed Assets (Net)	22.04	9.82
Donation	18.13	15.69
Foreign Exchange Fluctuation loss (Net)	-	5,779.42
Amortisation for Pre operative expenses	75.59	74.33
Bad Debts	76.76	2.43
Provision for Doubtful Debts	-	15.17
CSR Expenditures	48.17	88.36
Sub Total (d)	256.60	6,013.73
TOTAL (a + b + c + d)	53,047.51	64,666.81

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 ₹718.25 Lacs, Previous Year - ₹701.33 Lacs) - ₹847.83 Lacs (Previous Year- ₹1986.90 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	99.45	93.76
Excise Duty & Customs Duty	382.36	41.14
Service Tax	-	12.55
Income Tax	728.71	727.31
Others	26.80	27.93

b) Bills discounted with Banks ₹ Nil Lacs (Previous Year ₹422.12 Lacs)

c) Custom duty saved amounting to ₹959.45 Lacs (Previous Year: ₹706.23 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 ₹82,553.81 Lacs (Previous Year ₹90,186.91 Lacs) (utilised amount ₹52,913.29 Lacs (Previous Year- ₹69,143.17 Lacs)).

e) **Service Agreements**

Polyplex (Thailand) Public Company Limited

As at March 31, 2017, the Company had commitments totalling ₹165.68 Lacs (Previous Year- ₹283.56 Lacs) under various service agreements. These agreements expire between April 2017 and February 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 28 OTHER EXPLANATORY NOTES (Contd.)

- 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	Amount	Amount	Amount
		(Fx)	(₹ in Lacs)	(Fx)	(₹ in Lacs)
Loans - Long Term	USD	94,55,244	6,131.59	1,44,49,973	9,586.53
	EUR	39,78,331	2,755.30	66,30,551	4,979.91
Loans - Short Term	USD	56,80,229	3,683.55	39,88,793	2,646.28
	EUR	20,02,239	1,386.70	63,000	47.32
Debtors	USD	53,21,239	3,449.68	38,23,162	2,535.63
	EUR	10,15,763	703.29	4,80,496	360.78
Sundry Creditors	USD	1,68,442	109.23	1,95,804	129.90
	EUR	1,13,916	78.90	1,15,471	86.73
	JPY	-	-	75,000	0.45
Other Liabilities	USD	88,472	57.37	74,846	49.66
	EUR	-	-	666	0.50

- (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	12,50,000	USD/INR	USD	10,00,000
Forward Contracts	EURO / INR	EUR	11,21,508	EUR/INR	EUR	6,89,422
Forward Contracts	INR / USD	USD	-	INR/USD	USD	3,39,107

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED (INCLUDING SUBSIDIARIES)

Particulars	Current Year			Previous Year		
	Contract Sell/Buy	Currency	Amount (in Fx)	Contract Sell/Buy	Currency	Amount (in Fx)
Forward Contracts	Baht/USD	USD	31,80,000	Baht/USD	USD	13,70,000
	USD/Baht	USD	3,13,00,000	USD/Baht	USD	3,13,90,000
	Baht/Euro	Euro	10,20,000	Baht/Euro	Euro	3,60,000
	Euro/Baht	Euro	12,50,000	Euro/Baht	Euro	12,60,000
	JPY/Baht	Japanese Yen	5,13,50,000	JPY/Baht	Japanese Yen	1,94,20,000
	Euro/TL	Turkish Lira	38,00,000	Euro/TL	Turkish Lira	30,00,000
	Euro/USD	USD	66,00,000	Euro/USD	USD	30,00,000
	USD/Euro	Euro	4,00,000	USD/Euro	Euro	-

- E. (i) During the year, Polyplex (Asia) Pte. Ltd. (PAPL) has partially sold stake in Polyplex (Thailand) Public Company Limited (PTL) and net profit of ₹5627.95 lacs arising from sale of stake is recorded as exceptional item.
- (ii) During the previous year, Polyplex USA LLC (PU) has provided for the impairment loss of ₹6565.82 lacs on its manufacturing assets, and the same was recorded as exceptional item.

F. Operating Lease

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, 2017 are as follows:

	(₹ in Lacs)	
Payables within	Current Year	Previous Year
Not later than one year	5.65	37.56
Later than one year but not later than five year	-	5.63
Total	5.65	43.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 28 OTHER EXPLANATORY NOTES (Contd.)**POLYPLEX CORPORATION LIMITED**

The Company has entered into operating lease agreement for a premise. Lease is non-cancellable for a period of three year 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)	1.10	Nil
Minimum Lease Payments		
- Not later than one year	13.20	NIL
- Later than one year but not later than five years	26.62	NIL
- Later than five years	NIL	NIL

G. 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)

Payables within	Current Year	Previous Year
Not later than one year	29.52	28.94
Later than one year but not later than five year	30.69	61.43
Total	60.21	90.37

H. 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 and Other Income	70,404.43 (71,302.88)	250,362.67 (246,716.23)	320,767.10 (318,019.11)
2	Carrying Amount of Segment Assets by location of assets	69,632.00 (60,721.75)	362,550.92 (392,172.21)	432,182.92 (452,893.96)
3	Capital Expenditure	1,902.39 (2,428.30)	4,111.33 (2,288.19)	6,013.72 (4,716.49)

Note: Figures in bracket () indicate Previous Year figures

I. Earnings Per Equity Share (EPS)

Particulars	Unit in	Current Year	Previous Year
Net Profit/Loss for the year	(₹ in Lacs)	22,143.57	2,903.83
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	(₹)	69.23	9.08
Diluted EPS	(₹)	69.23	9.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 28 OTHER EXPLANATORY NOTES (Contd.)

J. 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)

- Mr. Sanjiv Saraf (Chairman)
- Mr. Pranay Kothari (Executive Director)
- Mr. Ashok Kumar Gurnani (Company Secretary)
- Mr. Manish Gupta (Chief Financial Officer)

Relative of Key Management Personnel

- Ms. Ritu Kothari

Enterprises over which KMP, their relatives and major shareholders have significant influence:

- Beehive Systems Private Limited
- Manupatra Information Solutions Private Limited
- Manupatra Publishing Private Limited
- Altivolus Infotech Private Limited
- Dalhousie Villa Private Limited
- Bhilangana Hydro Power Limited
- Kotla Hydro Power Private Limited
- Punjab Hydro Power Private Limited
- Abohar Power Generation Private Limited
- Kanchanjunga Power Company Private Limited
- Utkarsh Trading and Holdings Limited
- Suresh Surana & Associates, LLP
- RSM Astute Consulting Private Limited
- Praxis Consulting & information Services Private Limited
- S. D. College Society (Lahore), New Delhi

iii. 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 (29.70)	32.64 (29.19)	62.34 (58.89)
2	Services Rendered	- (-)	- (-)	140.47 (147.42)	140.47 (147.42)
3	Managerial Remuneration	297.28 (544.98)	- (-)	- (-)	297.28 (544.98)
4	Commission to Director	42.00 (28.00)	- (-)	- (-)	42.00 (28.00)
5	Director's Sitting Fees	3.00 (2.20)	- (-)	- (-)	3.00 (2.20)
6	Expenses Recovered	- (-)	- (-)	116.22 (126.60)	116.22 (126.60)
7	Donation Given	- (-)	- (-)	- (4.00)	- (4.00)
8	Interest Received	- (-)	- (-)	149.62 (166.21)	149.62 (166.21)
9	Loan Recovered	- (-)	- (-)	25.00 (250.00)	25.00 (250.00)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note: 28 OTHER EXPLANATORY NOTES (Contd.)

S. No.	Particulars	Key Management Personnel	Relative of KMP	Enterprises over which significant influence exist	Total
	Outstanding at year end				
10	Receivables on account of Sale of Goods / Services	- (-)	- (-)	20.82 (8.64)	20.82 (8.64)
11	Receivables on account of expenses Recovered	- (-)	- (-)	14.38 (9.59)	14.38 (9.59)
12	Loan	- (-)	- (-)	1,450.00 (1,475.00)	1,450.00 (1,475.00)
13	Interest on Loan Recoverable	- (-)	- (-)	- (81.35)	- (81.35)
14	Security Deposit Recoverable	- (-)	20.25 (20.25)	5.00 (5.00)	25.25 (25.25)
15	Security Deposit Payable	- (-)	- (-)	4.66 (4.66)	4.66 (4.66)
16	Payables	42.00 (28.00)	- (-)	6.75 (5.07)	48.75 (33.07)

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	- (-)	18.46 (17.43)
	- Dalhousie Villa Private Limited	- (-)	7.92 (7.92)
2	Services Rendered		
	- Beehive System Private Limited	- (-)	36.00 (36.00)
	- RSM Astute Consulting Private Limited	- (-)	24.17 (32.12)
	- Manupatra Information Solutions Pvt. Ltd.	- (-)	30.54 (21.99)
	- Suresh Surana & Associates LLP	- (-)	24.17 (15.53)
3	Expenses Recovered		
	- Beehive System Private Limited	- (-)	36.70 (36.44)
	- Manupatra Information Solutions Pvt. Ltd.	- (-)	38.59 (19.89)
4	Payment to Key Managerial Personnel		
	- Mr. Sanjiv Saraf	42.00 (28.00)	- (-)
	- Mr. Pranay Kothari #	137.91 (307.22)	- (-)
	- Mr. Manish Gupta	89.72 (185.23)	- (-)
	- Mr. Ashok Kumar Gurnani	69.65 (52.53)	- (-)
5	Interest Received		
	- Utkarsh Trading and Holdings Limited	- (-)	149.62 (166.21)

#Net of remuneration written back of ₹98.43 lacs for FY 2015-16 (previous year ₹9.91 lacs for FY 2014-15)

Note: Figures in bracket () indicate Previous Year figures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017**Note: 28 OTHER EXPLANATORY NOTES (Contd.)**

- K. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as under:

Particulars	SBN'S	Other denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	1,439,500	400,847	1,840,347
(+) Permitted Received	-	3,625,185	3,625,185
(-) Permitted Payment	-	2,096,765	2,096,765
(-) Amount Deposited in Bank	1,439,500	-	1,439,500
Closing Cash in Hand as on 30.12.2016	-	1,929,267	1,929,267

- L. Dividend proposed to be distributed for Equity Shareholders @ ₹4 / share amounting to ₹1539.85 Lacs (including Dividend Corporate Tax of ₹260.46 Lacs).
- 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)

Gaurav Lodha

Partner
Membership No. 507462

Place: New Delhi

Date: May 19, 2017

For and on behalf of the Board of Directors

Pranay Kothari

Executive Director
DIN: 00004003

Manish Gupta

Chief Financial Officer

Place: Noida

Date: May 19, 2017

Brij Kishore Soni

Director

DIN: 00183432

Ashok Kumar Gurnani

Company Secretary

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 in Lacs)

Sr. No.	Name of the Subsidiary Companies and Country of Incorporation	Currency	Share Capital	Reserves & 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., Singapore	US \$	11.30	1,660.00	1,747.48	1,747.48	153.98	304.15	107.46	0.83	106.63	-	100.00%
2.	Polyplex (Thailand) Public Company Limited, Thailand	INR	732.91	1,07,665.79	1,13,339.65	1,13,339.65	9,986.97	19,727.17	6,969.74	53.83	6,915.91	-	51.00%
		THB	9,000.00	29,997.27	82,593.68	82,593.68	-	55,359.87	4,989.75	-	4,989.75	-	51.00%
		INR	16,944.25	56,475.69	1,55,498.64	1,55,498.64	-	1,04,225.71	9,394.17	-	9,394.17	-	-
3.	Polyplex (Singapore) Pte. Ltd., Singapore	Euro	91.45	53.96	145.44	145.44	-	0.01	(0.09)	-	(0.09)	-	51.00%
		INR	6,334.29	3,737.54	10,073.91	10,073.91	-	0.69	(6.23)	-	(6.23)	-	-
4.	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S, Turkey	Euro	40.36	1,768.56	1,941.79	1,941.79	-	931.77	189.69	3.49	186.20	-	51.00%
		INR	2,795.54	1,22,499.44	1,34,498.22	1,34,498.22	-	64,539.12	13,138.89	241.74	12,897.16	-	-
5.	Polyplex Trading (Shenzhen) Company Ltd., China	Yuan	27.31	(11.44)	16.50	16.50	-	47.48	(7.39)	0.18	(7.57)	-	51.00%
		INR	257.43	(107.84)	155.54	155.54	-	447.56	(69.66)	1.70	(71.36)	-	-
6.	PAR LLC, USA	US \$	22.00	(1.33)	20.67	20.67	-	0.96	(0.17)	0.01	(0.18)	-	100.00%
		INR	1,426.90	(86.26)	1,340.63	1,340.63	-	62.26	(11.03)	0.65	(11.67)	-	-
7.	Polyplex America Holdings Inc., USA	US \$	466.16	(5.60)	480.87	480.87	-	-	(1.10)	0.06	(1.16)	-	51.00%
		INR	30,234.63	(363.21)	31,188.70	31,188.70	-	-	(71.34)	3.89	(75.24)	-	-
8.	Polyplex USA LLC, USA	US \$	462.09	(235.84)	1,305.45	1,305.45	-	1,106.55	25.34	0.17	25.17	-	51.00%
		INR	29,970.65	(15,296.33)	84,670.06	84,670.06	-	71,769.63	1,643.52	11.03	1,632.50	-	-
9.	EcoBlue Limited, Thailand	THB	106.50	618.81	988.80	988.80	-	1,460.76	302.11	59.59	242.52	-	33.92%
		INR	200.51	1,165.03	1,861.61	1,861.61	-	2,750.16	568.78	112.19	456.59	-	-
10.	Polyplex Europe B.V., the Netherlands	Euro	2.00	3.37	15.35	15.35	-	41.74	1.22	0.24	0.98	-	51.00%
		INR	138.53	233.42	1,063.22	1,063.22	-	2,891.12	84.50	16.62	67.88	-	-
11.	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi, Turkey	TRY	1.00	10.93	98.33	98.33	-	346.44	10.35	2.07	8.28	-	51.00%
		INR	17.73	193.79	1,743.40	1,743.40	-	6,142.40	183.51	36.70	146.80	-	-

Note:

- The Financial Statements of the Subsidiary Companies have been converted into Indian Rupees using the following exchange rates prevailing on March 31, 2017: US Dollar (US \$) = INR 64.86, Thai Baht (THB) = INR 1.88, Euro = INR 69.27, Yuan = INR 9.43 and Turkish Lira (TRY) = INR 17.73
- Names of subsidiaries which are yet to commence operations : NIL
- Name of Subsidiaries which have been liquidated or sold during the year : Peninsula Beverages and Foods Company Private Limited ceased to be subsidiary w.e.f. 13.02.2017

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 and Joint Ventures

For and on behalf of the Board of Directors

Place: Noida
Date: May 19, 2017

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

NOTES

[illegible]



Polyplex Corporation Limited

CIN: L25209UR1984PLC011596

Registered Office: Lohia Head Road, Khatima- 262 308, Distt. Udham Singh Nagar, Uttarakhand

Corporate Office: B-37, Sector-1, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh- 201 301

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