FORM A

(pursuant to Clause 31 of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	POLYPLEX CORPORATION LIMITED
2.	Annual Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by:	
	CEO/Managing Director	Pranay Kothari Executive Director 3.9.2014
	CFO	Manish Gupta Chief Financial Officer 3.9.2014
	Audit Committee Chairman	Brij Kishore Soni Chairman – Audit Committee 3.9.2014
	Auditor of the Company	For LODHA & CO. Chartered Accountants Firm Reg. No. 301051E (N. K. LODHA) Partner M. No. 85155 Statutory Auditors

NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of Polyplex Corporation Limited will be held at the Registered Office of the Company at Lohia Head Road, Khatima 262308, District Udham Singh Nagar, Uttarakhand, on **Monday, September 29, 2014 at 11.00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Statement for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.

2. To declare dividend.

3. To appoint a Director in place of Mr. Sanjiv Chadha (DIN : 00356187) who retires by rotation and being eligible offers himself for reappointment.

4. To appoint Auditors and to fix their remuneration.

   To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee, M/s. Lodha & Co., Chartered Accountants, New Delhi (Firm Registration No. 301051E) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Twenty-Ninth Annual General Meeting until the conclusion of next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company based on the recommendation of the Audit Committee, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the Financial Year 2014-15."

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution :**

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and pursuant to the Listing Agreements with Stock Exchanges, Mr. Brij Kishore Soni (DIN : 00183432), be and is hereby appointed as an Independent Director of the Company upto March 31, 2019."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution :**

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and pursuant to the Listing Agreements with Stock Exchanges, Mr. Jitender Balakrishnan (DIN : 00028320), be and is hereby appointed as an Independent Director of the Company upto March 31, 2019."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution :**

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 (the Act), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and pursuant to the Listing Agreements with Stock Exchanges, Dr. Suresh Inderchand Surana (DIN : 00009757), be and is hereby appointed as an Independent Director of the Company upto March 31, 2019."

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

   "RESOLVED THAT in supersession of the Ordinary Resolution passed pursuant to Section 293(1)(d) of the Companies Act, 1956, at the Twenty-fifth Annual General Meeting of the Company held on September 25, 2010 and pursuant to Section 180(1)(c) and all other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereto from time to time) and other applicable provisions, Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter

constitute to exercise its powers including the power conferred by this Resolution) to borrow from time to time such sum or sums of money in any manner (including by way of Debentures secured or unsecured, loans or otherwise) as may be required for the purpose of the business of the Company in excess of the aggregate of the paid-up share capital of the company and its free reserves i.e. to say reserves not set apart for any specific purpose subject to the condition that such borrowing together with the money which is already borrowed (apart from temporary loans obtained by the Company from its bankers in the ordinary course of business) shall not at any time exceed Rs. 1,500 Crores (Rupees One thousand five hundred crores) outstanding at any point of time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard to borrowing as aforesaid."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed pursuant to Section 293(1)(a) of the Companies Act, 1956, at the Twenty-fifth Annual General Meeting of the Company held on September 25, 2010 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and applicable Rules made thereunder (including any statutory modification or re-enactment thereto from time to time), Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) to mortgage or charge, in addition to the mortgage(s) / charge(s) created and/or to be created by the Company, in such form and manner and with such ranking and at such time and times and on such terms and conditions as the Board may think fit, the whole or substantially the whole of the Company's any one or more undertakings or all undertakings, including the present or future properties whether movable or immovable, as the case may be, in favour of public financial institutions, banks, insurance companies, investment institutions, trusts, other bodies corporate, Bodies/Trustees for holders of debentures/ bonds and /or other instruments, other financial institutions and other secured lenders (hereinafter collectively referred to as the "Lenders"), who may be extended or participating in extending loans and/or syndicated loans and/or securing loans in Rupees and/or Foreign Currencies, as the case may be, to enable it to obtain loan or financial accommodation in any other form, upto such amount as the Board, in its absolute discretion may deem necessary and/or expedient together with interest at the agreed specified rates, compound interest, liquidated damages, commitment charges, premium on repayment and all other monies including any increase on account of revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by the Company to any of the Lenders and/or Agents and/or in terms of their respective Loan Agreements/ Hypothecation Agreements / Letters of Sanction / Memorandum of Terms and Conditions / executed / entered into or to be executed / entered into by the Company in favour of the Lenders and/or their agents in respect of the said loans and /or financial assistance and/or guarantees for an amount not exceeding Rs.1,500 Crores (Rupees One thousand five hundred crores)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalize and settle and execute with the aforesaid Lenders such documents, deeds and writings/ agreements as may be required for creating the aforesaid mortgage(s), and/or charges and for reserving the aforesaid rights in their favour as the Board, as the case may be, in its absolute discretion deem fit and to do all such acts, deeds and things, in the manner as may be necessary or proper for giving effect to creating mortgage(s) and charge(s) as aforesaid."

By Order of the Board
For **Polyplex Corporation Limited**

Date : August 13, 2014
Place : NOIDA

Ashok Kumar Gurnani
Company Secretary
(FCS-2210)

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF.

   A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case of a Member who is holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, it shall be under its seal or be signed by an officer or an attorney duly authorised by it.

2. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting (AGM).

3. Proxies in order to be effective should be lodged with the Company at the Registered Office at least 48 hours before the commencement of the AGM.

4. Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act) , relating to the Special Business to be transacted at this AGM, is annexed.

5. The Register of Members and Share transfer books of the Company will remain closed from **20.09.2014 to 29.09.2014** (both days inclusive).

6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act will be available for inspection by the Members at the Registered Office of the Company and at the AGM.

7. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office of the Company and at the AGM.

8. The dividend declared at the meeting will be made payable on or after September 29, 2014 to those Members, whose names are on the Register of Members as Beneficial Owners as at the end of business on September 19, 2014 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before September 19, 2014.

9. Pursuant to Section 205C of the Companies Act, 1956, amount of unpaid / unclaimed dividends upto Financial Year 2005-06 have been transferred to Investor Education and Protection Fund (IEPF) (established by the Government of India). In respect of these transfers no claim lies against the Company.

10. Pursuant to Section 205C of the Companies Act, 1956/ Section 125 of the Act, all unpaid dividends which have remained unclaimed for a period of seven years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund (IEPF) (established by the Government of India). Shareholders are advised in their own interest to claim the unclaimed dividend for the Financial Year 2006-07 onward, details whereof are given hereunder from the Company failing which all unclaimed dividends shall be transferred to the IEPF within the time prescribed under the law.

Financial Year	Dividend	Declared on/ Record Date
2006-07	40% Final	15.09.2007
2007-08	60% Final	26.09.2008
2008-09	70% Final	30.09.2009
2009-10	80% Final	25.09.2010
2010-11	60% Interim	16.11.2010
2010-11	70% Final	28.09.2011
2011-12	40% Final	28.09.2012
2012-13	30% Final	30.09.2013

11. Members are requested to register their e-mail addresses with the Company and Beneficial Owners of shares are requested to update their email addresses with their respective depository participants for receiving the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.

12. a) Members holding shares in physical form are requested to notify to the Company, change/ correction in their address quoting their folio number.

    b) Members holding shares in dematerialized form are requested to notify to their Depository Participant, change/ correction in their address/ Bank Account particulars etc., as the Company uses the information provided by the Depositories in respect of shares held in demat form.

13. Nomination Facility : Section 72 of the Act, extends the nomination facility to individual shareholders of the Company. Therefore the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective Depository Participants for making nominations.

14. Details required under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment/ reappointments at the AGM are separately annexed hereto.

15. E-Voting : Pursuant to Section 108 of the Act read with Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in this notice. The Company has fixed August 22, 2014 as 'cut-off date' to record the entitlement of shareholders to cast their vote at the 29th Annual General Meeting (AGM). Members as on aforesaid cut-off date who are unable to cast their vote electronically would be entitled to cast their vote at the AGM. A separate enclosure, which forms an integral part of this notice, giving detailed procedure and instructions for e-voting is enclosed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) in respect of Special Business set out in the Notice.

Item No. 5, 6 and 7

Section 149 of the Act requires every listed company to have atleast one-third of the total number of directors as Independent Directors ("IDs). Further, revised Clause 49 of the Listing Agreement, which is to come into force w.e.f. October 1, 2014, stipulates where the regular non- executive Chairman of the Company is from promoter category then atleast one-half of the Board of the Company shall consist of IDs.

Following existing non-executive directors earlier classified as Independent Directors in terms of Clause 49 of the Listing Agreement are proposed to be appointed as Independent Directors within the meaning of Section 2(47) read with Section 149(6) of the Act and Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 as also revised Clause 49 of the Listing Agreement :

i) Mr. Brij Kishore Soni

ii) Mr. Jitender Balakrishnan

iii) Dr. Suresh Inderchand Surana

The Company has received notices in writing under the provisions of Section 160 of the Act from Member(s), proposing the candidature of the above directors for the office of the IDs. All the above IDs have given a declaration of Independence pursuant to Section 149(6) of the Act read with Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 alongwith their affirmation to the Code of Independent Directors as prescribed under Schedule IV of the Act.

In the opinion of the Board, the above directors fulfil the conditions specified in the Act and the Rules made thereunder for the proposed appointment.

The Board considers that their continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail the services of aforesaid directors. The detailed profiles of all the above directors have been given in the Annexure. The above directors are proposed to be appointed as IDs upto March 31, 2019 and they shall not be liable to retire by rotation.

Except Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan and Dr. Suresh Inderchand Surana, none of the Directors or Key Managerial Personnel and/or their relatives are in any way, financially or otherwise interested or concerned in this resolution.

Your directors recommend the resolutions set out in Item No. 5, 6 and 7 of the accompanying notice for the approval of members.

All the documents pertaining to the appointment of IDs are open for inspection between 10.00 a.m. to 1.00 p.m. on all working days at the Registered Office of the Company upto the date of the AGM of the Company.

Item No. 8

At the Twenty-fifth Annual General Meeting of the Company held on September 25, 2010, the Members had authorised the Board of Directors to borrow monies upto a limit of Rs.1,500 Crores (Rupees One thousand five hundred Crores). The resolution in the said meeting was passed as an Ordinary Resolution as per the requirements of Section 293(1)(d) of the Companies Act, 1956. The provision with respect to this power has since been replaced by Section 180(1)(c) of the Companies Act, 2013 with effect from September 12, 2013. In terms of Section 180(1)(c) of the Companies Act, 2013, consent of the Members in General Meeting by way of Special Resolution is required for the Board of Directors of the Company ("the Board") to borrow monies for the purpose of business of the Company, (apart from temporary loans obtained from the Company's bankers) in excess of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The ordinary resolution earlier passed by the members is valid for one year from the date of coming into force of Section 180(1)(c), as per clarification issued by the Ministry of Corporate Affairs.

It is hence proposed that the consent of the members be sought to borrow a sum not exceeding Rs.1,500

Crores (Rupees One thousand five hundred crores), by way of Special Resolution to comply with requirements of Section 180(1)(c) of the Companies Act, 2013.

Your directors recommend the resolution set out in Item No. 8 of the accompanying notice for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested in this resolution.

Item No. 9

At the Twenty-fifth Annual General Meeting of the Company held on September 25, 2010, the Members had authorised the Board of Directors to create charge / mortgage assets, properties both movable and immovable, including sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking the whole or substantially the whole of any such undertaking upto a limit of Rs.1,500 Crores (Rupees One thousand five hundred Crores). The resolution in the said meeting was passed as an Ordinary Resolution as per the requirements of Section 293(1)(a) of the Companies Act, 1956. The provision with respect to this power has since been replaced by Section 180(1)(a) of the Companies Act, 2013 with effect from September 12, 2013. In terms of Section 180(1) (a) of the Companies Act, 2013, consent of the Members in General Meeting by way of Special Resolution is required for the Board of Directors of the Company ("the Board") to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. The ordinary resolution earlier passed by the members is valid for one year from the date of coming into force of Section 180(1)(a), as per clarification issued by the Ministry of Corporate Affairs.

It is hence proposed that the consent of the members be sought to create charge / mortgage assets, properties both movable and immovable, including sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking the whole or substantially the whole of any such undertaking upto a limit of Rs.1,500 Crores (Rupees One thousand five hundred Crores), by way of Special Resolution to comply with requirements of Section 180(1)(a) of the Companies Act, 2013.

Your directors recommend the resolution set out in Item No. 9 of the accompanying notice for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested in this resolution.

By Order of the Board
For **Polyplex Corporation Limited**

Date : August 13, 2014 **Ashok Kumar Gurnani**
Place : NOIDA Company Secretary
(FCS-2210)

Notes on Directors seeking appointment / re-appointment as required under Clause 49 IV (G) of the Listing Agreement entered into with Stock Exchanges.

1. **Mr. Sanjiv Chadha**

   Mr. Sanjiv Chadha is aged about 58 years is a Non Resident Indian practicing as an Architect in the United States of America. Mr. Sanjiv Chadha is B. Arch from Indian Institute of Technology and has done M.S. Architecture from Illinois Institute of Technology, U.S.A. He is member of American Institute of Architecture, Association of Licensed Architect, International Council of Shopping Centers and International Facilities Management Association.

   Mr. Chadha is associated with the Company as a shareholder of the Company since 1988. He joined the Board w.e.f June 17, 2005.

   Mr. Sanjiv Chadha holds 4000 equity shares in the Company.

   Mr. Sanjiv Chadha is not a director in any other Company.

2. **Mr. Brij Kishore Soni**

   Mr. Brij Kishore Soni is aged about 67 years is a Graduate from Delhi University. He has expertise in Project Planning, Execution and General Management.

   Mr. Soni is associated with the Company as Director since August 8, 1985.

   Mr. Soni is Director in following Companies :

   i) Bharat Power Corporation Private Limited
   ii) Excel International Private Limited
   iii) Kalima Plastics Private Limited
   iv) Peninsula Beverages and Foods Company Private Limited
   v) KNS Trading Private Limited

Mr. Soni is not Member / Chairman of Audit and Shareholders Grievance Committee of any other company except the Company.

Mr. Soni does not hold any shares in the Company.

3. Mr. Jitender Balakrishnan

Mr. Jitender Balakrishnan is aged about 65 years is BE (Mech) from National Institute of Technology (NIT), Madras University and has PG diploma in Industrial Management from Bombay University.

He has served on the Board of IDBI Bank Limited as Executive Director and thereafter as Deputy Managing Director and Group Head – Corporate Banking. He has served on the Board of Directors of various Corporates in the areas of Oil and Gas, Refineries, Infrastructure Projects, Cement, Fertilizers, Hotels, Pharmaceuticals, Paper etc.

Mr. Balakrishnan is associated with the Company as Director since July 20, 2010.

He is Director in following Companies :

i) Aditya Birla Finance Limited
ii) Bharti AXA Life Insurance Company Limited
iii) Bharti AXA General Insurance Company Limited
iv) Bharti Infratel Limited
v) Bhoruka Power Corporation Limited
vi) Essar Projects India Limited
vii) Essar Services India Limited
viii) Equinox Realty & Infrastructure Private Limited
ix) India Glycols Limited
x) IL & FS Investment Managers Limited
xi) Magus Estates and Hotels Private Limited
xii) Sarda Energy & Minerals Limited
xiii) Usha Martin Limited

He is Member/ Chairman of following committees, other than in Company:

i) Usha Martin Limited - Chairman of Audit Committee
ii) Bharti Infratel Limited – Member of Audit Committee
iii) IL & FS Investment Managers Limited – Member of Audit Committee
iv) Magus Estates and Hotels Private Limited – Member of Audit Committee
v) Sarda Energy & Minerals Limited – Member of Investor Grievance Committee

Mr. Balakrishnan does not hold any shares in the Company.

4. Dr. Suresh Inderchand Surana

Dr. Suresh Inderchand Surana aged about 52 years is a Chartered Accountant in practice and is associated with the Company as Director since March 1, 2002. Dr. Surana specializes in International Taxation, Tax Planning and Corporate Advisory Services and has been advising many international groups on their worldwide affairs. Other Directorships of Dr. Suresh Surana are as follows:

i) The Manar Estates Limited
ii) Inlaks Shipping Company Limited
iii) House of Code (India) Private Limited
iv) TalentAhead India Private Limited
v) RSM India Private Limited
vi) Ramesh Goenka Foundation

He is not Member/ Chairman of Audit and Shareholders Grievance Committee of any other company

Dr. Surana holds 200 equity shares in the Company.

The instructions for members for voting electronically are as under:-

I. In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no. in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the number of shares held by you as on August 22, 2014 in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Company Name on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed

password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

II. In case of members receiving the physical copy:

Please follow all steps from Sl. No. (i) to Sl. No. (xvi) above to cast vote.

III. The voting period begins on September 23, 2014 at 8.00 a.m. and ends on September 25, 2014 at 7.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

IV. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

V. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date, being Friday, August, 22, 2014.

VI. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to investorrelations@polyplex.com by mentioning their Folio / DP Id and Client Id No.

VII. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

VIII. The Board of Directors has appointed Mr. Ravi Sharma, Partner of M/s. RSM & Co., Company Secretaries, as Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

IX. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or any other officer authorized by the Chairman.

X. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

XI. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.polyplex.com) and on Service Provider's website (https://evotingindia.com) within 2 (two) days of declaration of the results and would also be communicated to the BSE Limited and the National Stock Exchange of India Limited.

POLYPLEX

29th Annual Report
2013-14

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POLYPLEX

Board of Directors and Corporate Information

Board of Directors

Mr. Sanjiv Saraf - Chairman
Mr. Brij Kishore Soni
Mr. Sanjiv Chadha
Dr. Suresh Inderchand Surana
Mr. Jitender Balakrishnan
Mr. Rakesh Awasthi - Nominee Director - IDBI Bank Limited (From July 16, 2013)
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

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

Auditors

Lodha & Co.,
Chartered Accountants

Cost Auditors

Sanjay Gupta & Associates
Cost Accountants

Bankers

Axis Bank Limited
DBS Bank Limited
IDBI Bank Limited
State Bank of Patiala
The Hongkong and Shanghai Banking Corporation Limited
UniCredit Bank AG

Registrars and Share Transfer Agents

MCS Limited
F-65, Okhla Industrial Area,
Phase-1,
New Delhi - 110 020

POLYPLEX AT A GLANCE

Sales and Other Income of Rs. 3,209.30 Crores (USD 531.23 million)

72% revenues from overseas markets

78% of Polyplex products are used in food and consumer goods markets

Over 1571 customers all over the globe

About 1870 employees world wide

Dividend paid every year since 1993-94

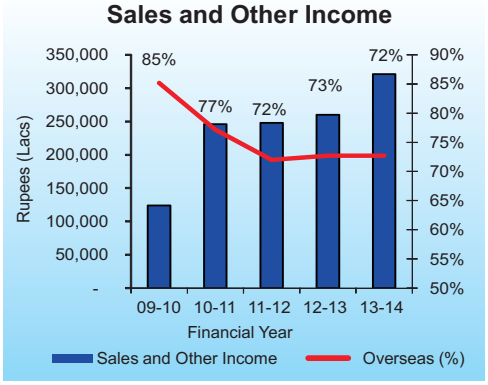
NSE Code : POLYPLEX

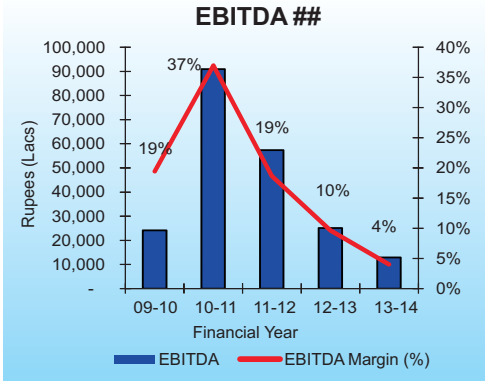
BSE Code : 524051

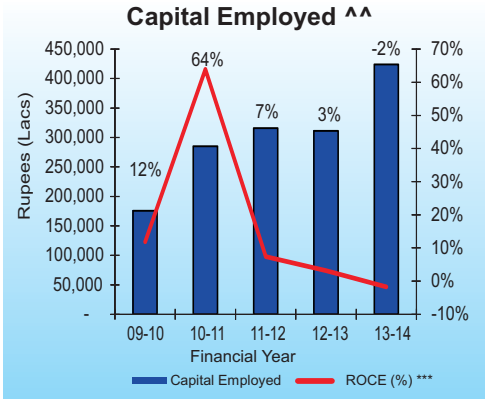
**** Based on consolidated performance; figures in USD have been calculated based on average exchange rate during the year.***

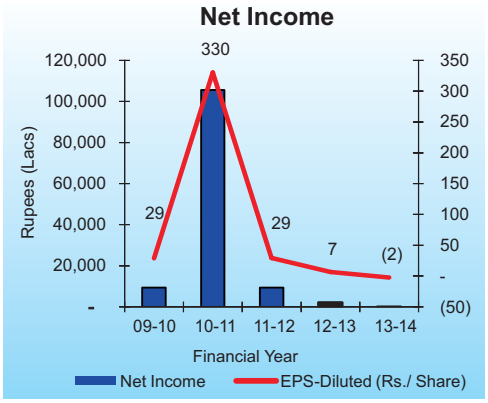
POLYPLEX

FINANCIAL HIGHLIGHTS*









(Rs. in Lacs)

Description	2013-14	2012-13	2011-12	2010-11	2009-10
Profit and Loss					
EBITDA @@	12,894	25,100	46,331	90,962	24,104
Profit attributable to Shareholder	(683)	2,123	9,398	105,557	9,399
Balance Sheet					
Net Fixed Assets @	315,090	265,861	162,997	148,653	138,774
Loan Funds ^	207,862	157,985	72,323	72,833	85,396
Shareholders' Funds #	219,892	201,825	191,233	164,909	69,251
Cash Flow					
Net Cash Flow from Investing Activities	(57,696)	(1,04,914)	(33,563)	61,101	(34,017)
Key Ratios					
PAT Margin (%) **	(2%)	3%	8%	54%	11%
ROE (%) ****	(2%)	3%	9%	87%	16%
Net Debt ^ ^ ^ : Equity $$	0.40	0.25	–	–	0.83
Per Share Data					
Diluted Earning per Share $	(2.14)	6.64	29.38	330.03	29.26
Dividend per Share	2.00	3.00	4.00	13.00	8.00

Figures of Previous Years have been regrouped as per treatment in Financial Statements.

@ includes Capital Work in Progress
# includes Deferred Tax Liabilities/(Assets)
EBITDA Margin as % of Sales
$$ Equity = Shareholders' Funds + Minority Interest
@@ EBITDA = Sales and Other Income – Manufacturing Expenses – Operating and Other Expenses
^ Loan Funds includes Long term Loan + Short Term Borrowing + Current Portion of Long Term Debt
^ ^ Capital Employed = Shareholders' Funds + Minority Interest + Loan Funds + Deferred Tax Liability/(Assets) – Capital Work in Progress
^ ^ ^ Net Debt includes Long Term Loan + Short Term Borrowing + Current Portion of Long Term Debt – Cash and Bank Balances
$ The figures till 2009-10 have been readjusted with the increased shares due to 1:1 bonus issue during Financial Year 2010-11

* Based on Consolidated Financials
** PAT (Pre -Minority interest) as % to Sales and Other Income
*** EBIT as a % of average Capital Employed
**** PAT (Pre-Minority interest) as % to average equity incl. Minorities

Policy and Overview of Business Operation

Vision, Mission, Objective and Strategy of the Company

Values

Our core values, enunciated in the acronym S.C.O.R.E., inspire our internal and external interactions.

Seamlessness **We leverage synergies across hierarchies, functions and locations.**

Care **We value our people and are committed to their development. We take a long-term approach to all our relationships.**

Ownership and Responsibility **We honor our commitments towards internal and external stake-holders.**

Excellence **We stretch ourselves continuously to improve the way we work. We constantly pursue newer and better ideas, processes, products and practices.**

Chairman and CEO's Address

Sanjiv Saraf
Chairman

Pranay Kothari
Chief Executive Officer

Dear Shareholders,

The last year was one of the most difficult for the Company. The oversupply situation in the Polyester Film industry got further pronounced resulting in further compression in margins. Together with slow ramp up in the new production lines which commenced operations during the year in Thailand & USA in a weak business environment as well as adverse foreign exchange movements with consequential impact on operations and restatement of loans, resulted in the Company reporting a consolidated net loss for the year.

Sales and Other Operating Income grew to INR 32.1 billion, up 24% from the previous year. The profits in the Indian operations were offset by losses overseas resulting in a consolidated loss (before tax) of INR 1.17 billion. The financial position continues to be strong with adequate liquidity and low leverage on a consolidated basis after accounting for cash and cash equivalents.

Recent investments in Metallizers and offline coating capacities across various locations would further broaden product portfolio and enhance the share specialty offerings.

The Company remains confident that the investment in new projects would not only generate adequate returns to the Shareholders once the industry cycle improves but would also bring more stability in earnings as these projects would help diversify the product, country and customer risks. These, along with the existing assets will enable the Company to grow profitably in the coming years and take advantage of a cyclical upturn.

The Company understands its social responsibilities and continues to engage in various activities at all locations. The successful startup of its recycling plant in Thailand demonstrates our commitment to address growing concerns on environmental impact of plastic films.

On behalf of the Board, we would like to thank all the shareholders, business partners and the employees of the Company for their continued support and hard work without which we would not have been able to be among the fastest growing companies in our industry.

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

Polyplex USA - Bird's eye view of the Project.

Polyplex USA - Film Plant

Polyplex USA - Chips Plant

Polyplex Thailand - Thick Film - Chips Plant

Polyplex Thailand - Thick Film Line Extruder

Polyplex Thailand - Thick Film Line Winder

Polyplex Thailand - Thick Film Slitter

Polyplex Thailand - Recycling Plant

Polyplex Turkey - PET Bottle Grade Resin Project

Polyplex Turkey - PET Bottle Grade Resin Plant

Polyplex Turkey - PET Resin Plant - HTM & Cogen Block

Polyplex Turkey - Offline Coating Plant

MANAGEMENT DISCUSSION AND ANALYSIS

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 integrated producers of thin Polyester (PET) films in the world. Polyester is used in everyday life – when we eat or drink, at home, in the office, when we shop, etc. The largest application of thin PET films is flexible packaging. Better packaging not only improves the shelf life of the products but is also essential for improving product appeal in a highly competitive consumer goods industry.

Polyplex is in a position to offer other substrates (BOPP & CPP) used in the flexible packaging industry. BOPP and CPP films are polypropylene (PP) based films, which are pre-dominantly used in packaging besides certain industrial applications like tapes, labels, thermal lamination and textiles. This has enabled Polyplex to offer a variety of products and solutions to customers. Flexible packaging companies supply their laminates to consumer product companies for packaging of a diverse range of products like food products, household goods, personal care products, etc.

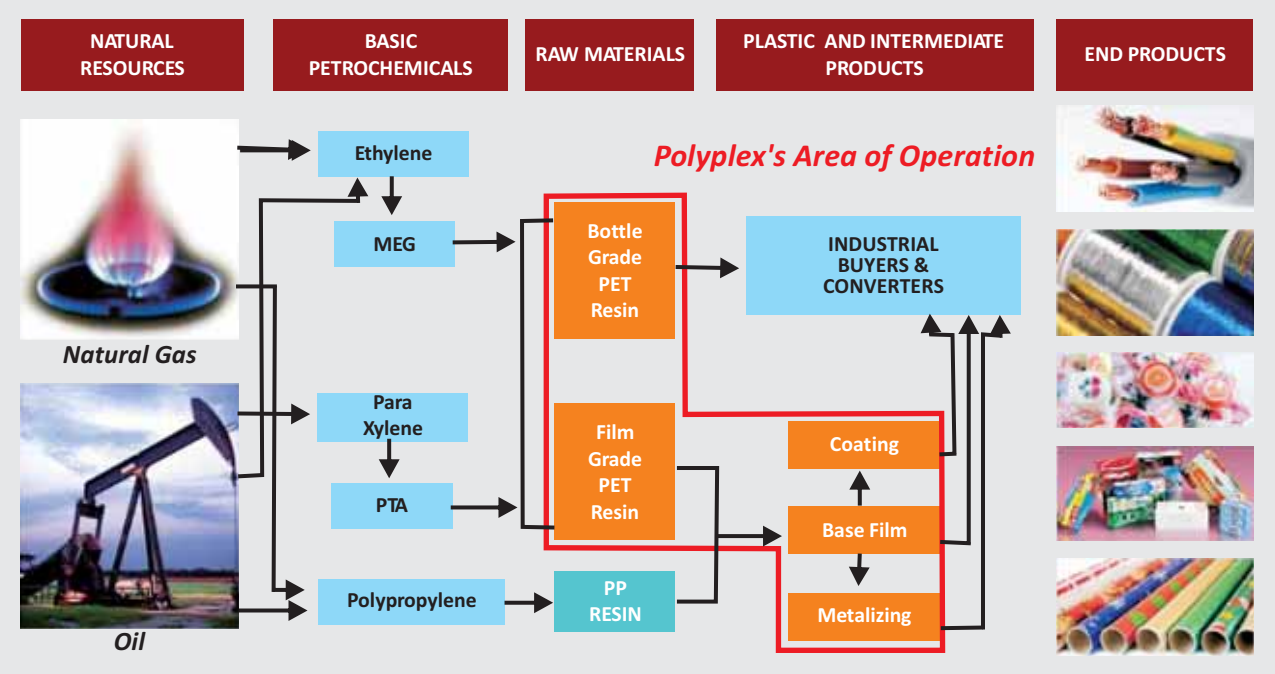
As part of its concentric diversification strategy, the Company has entered into thick PET film segment suitable for a range of industrial applications including imaging & graphics, photovoltaics and flat panel display.

In the past few years, the Company has ventured into downstream businesses like Metallizing, Silicone Coating, Extrusion Coating, Blown Polypropylene (PP) / Polyethylene (PE) & Offline Chemical coating. This has enabled Polyplex to offer products for a variety of applications, general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of industrial applications like hot stamping foil, flexible air conditioning ducts, book lamination, yarn, etc. The new Blown PP line has further expanded the product line of its silicone coated films. The Company has recently introduced an innovative non tearable polyester film segment in India designed especially for digital print media segment for photo albums, commercial printing, promotional & customized digital printing, label and flexible packaging applications.

Seeking continuous growth and creation of value, Company has ventured into a new but related business segment of Bottle Grade PET Resins in Turkey. Other ventures of the Company include the business of marketing, sales & distribution of packaged beverages and food products in India and 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) & Mono-Ethylene Glycol (MEG), Company has its own facilities to produce PET resin.

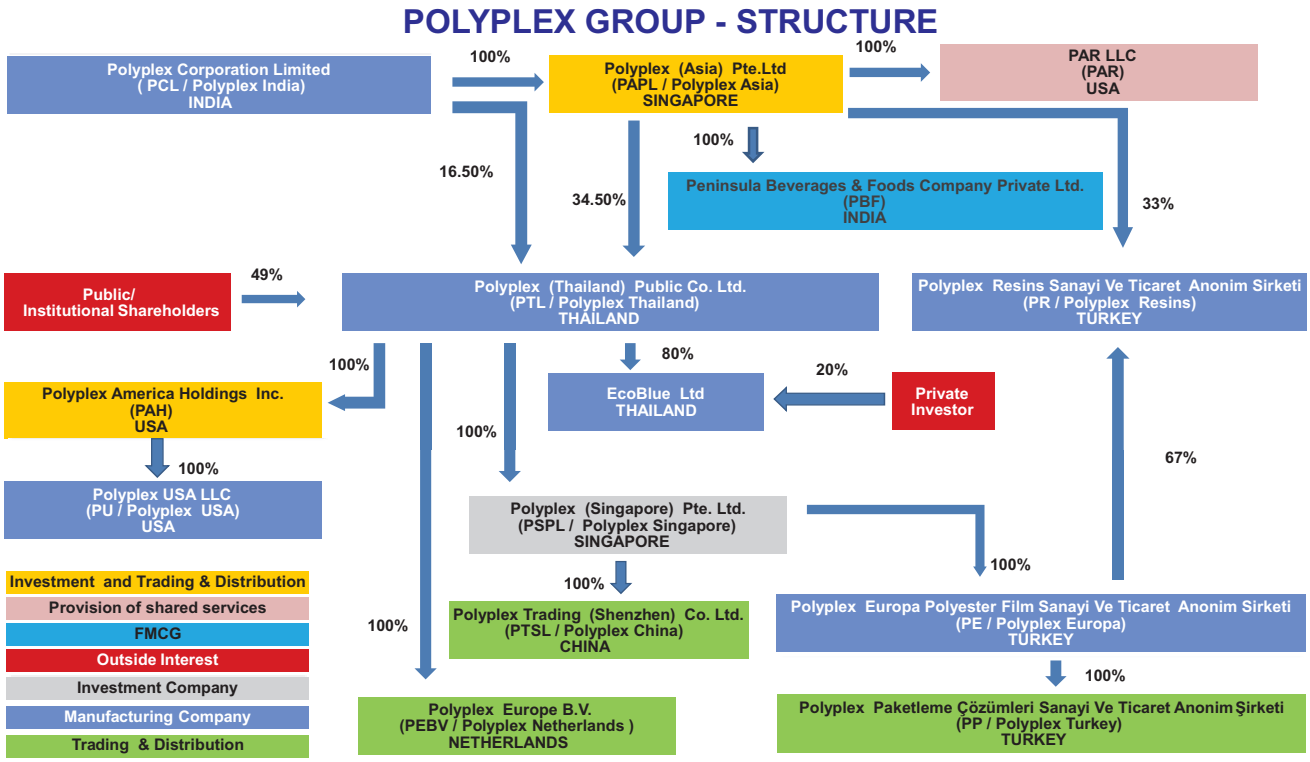
The value chain for the Company's businesses is depicted below:



GLOBAL OPERATIONS

Polyplex has attained a leadership position in the thin PET films business with manufacturing and distribution operations in six countries viz. India, Thailand, Turkey, U.S.A., China & Netherlands, which along with warehouses in Poland, Spain, Germany & Mexico facilitate active sales in all major regional markets/customers across the globe.

The current Group structure can be depicted as follows:



Polyplex (Asia) Pte. Ltd. (PAPL)

PAPL was established as a 100% subsidiary of PCL in July, 2004 and has a shareholding of 34.5% in PTL as on March 31, 2014. PAPL, *inter-alia* is engaged in trading of various plastic products. The issued and paid up capital of PAPL as of March 31, 2014 is USD 1.13 million.

Peninsula Beverages and Foods Company Private Ltd. (PBF)

PAPL acquired 99.90% shares in PBF on Feb 6, 2013. On May 14, 2013, PBF, which is in the business of wholesale trading of packaged beverages and food products became the wholly owned subsidiary of PAPL. The issued and paid up capital of PBF as of March 31, 2014 is INR 98.74 million.

PAR LLC (PAR)

PAR LLC is a United States Limited Liability Company incorporated in Texas on May 6, 2011. The Company is 100% owned by PAPL. The Company was set up for providing shared services to the group companies. The issued and paid up capital of PAR LLC as of March 31, 2014 stands at USD 2.2 million.

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

PTL was incorporated as a private Company on March 26, 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. As on date, PCL has 51% stake in the Company through both direct and indirect shareholding and the balance 49% is with the general public. The issued and paid up capital of PTL as of March 31, 2014 stands at THB 800 million.

Polyplex (Singapore) Pte. Ltd. (PSPL)

PSPL was established in July 2004 as a wholly owned subsidiary of PTL, which further invested in Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Şirketi (PE). The issued and paid up capital of PSPL (including Preference Share Capital) as of March 31, 2014 is Euro 9.14 million.

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

PSPL had incorporated a 100% owned subsidiary Company, PE in Turkey for setting up a greenfield PET film/chips plant to cater to the European and other proximate markets. The commercial operations started in December, 2005 with the start up of the first thin PET film line. The issued and paid up capital of PE, including additional contribution from PSPL, as of March 31, 2014 stands at Euro 8.83 million.

Polyplex Trading (Shenzhen) Co. Ltd (PTSL)

In the Financial Year 2009-10, PTL invested in the setting up of a wholly owned trading Company in Shenzhen, China, through PSPL. The decision to invest in the setting up of the trading Company in China was a strategic initiative to establish the Company's presence in China, which is one of the largest and the fastest growing market in this industry. The issued and paid up capital of PTSL as at March 31, 2014 is USD 0.4 million.

Polyplex Americas Holding Inc (PAH)

In FY 2011-12, PTL invested in setting up a 100% Investment and Trading & Distribution Company in USA named PAH. PAH has further invested in Polyplex (USA) LLC, which is the manufacturing/distribution entity. The issued and paid up capital of PAH (including the Additional Paid-In Capital) as on March 31, 2014 is USD 29.62 million.

Polyplex USA LLC (PU)

Polyplex USA LLC was established in FY 2011-12 as a 100% subsidiary of PAH. PU was incorporated to expand the global manufacturing footprint into North America by setting up a thin PET film line, a continuous process PET chips plant and metallizing capacity. Manufacturing operations at Decatur, Alabama have commenced with the commissioning of the thin PET film line and more recently the PET chips plant. In order to streamline the manufacturing & distribution operations and to optimize costs, Polyplex (Americas) Inc. (PA), which was selling films in North America sourced from offshore manufacturing locations of the Group, had been merged with PU during FY 2012-13. Under this merger, the minority stake in PA had been acquired by PTL. The members' contribution which represents the paid up capital of PU is USD 29.46 million as on March 31, 2014.

Polyplex Resins Sanayi Ve Ticaret Anonim Şirketi (PR)

Polyplex Resins Sanayi Ve Ticaret Anonim Şirketi (PR) was incorporated in Turkey, in December 2011, as a 100% subsidiary of PAPL. In October 2012, PE acquired 67% stake in PR from PAPL. The PET Bottle Grade Resin line, the first such line in the Group, is being implemented at PR. The Paid up Capital of PR as at March 31, 2014 is Turkish Lira 20.2 million.

EcoBlue Ltd. (EL)

EcoBlue Ltd., a 80% subsidiary of PTL was established on October 1, 2012 in Thailand to provide end-of-life solutions for film-based process waste. The Paid up Capital of EcoBlue Ltd as at March 31, 2014 is THB 10.65 million.

Polyplex Europe B.V. (PEBV)

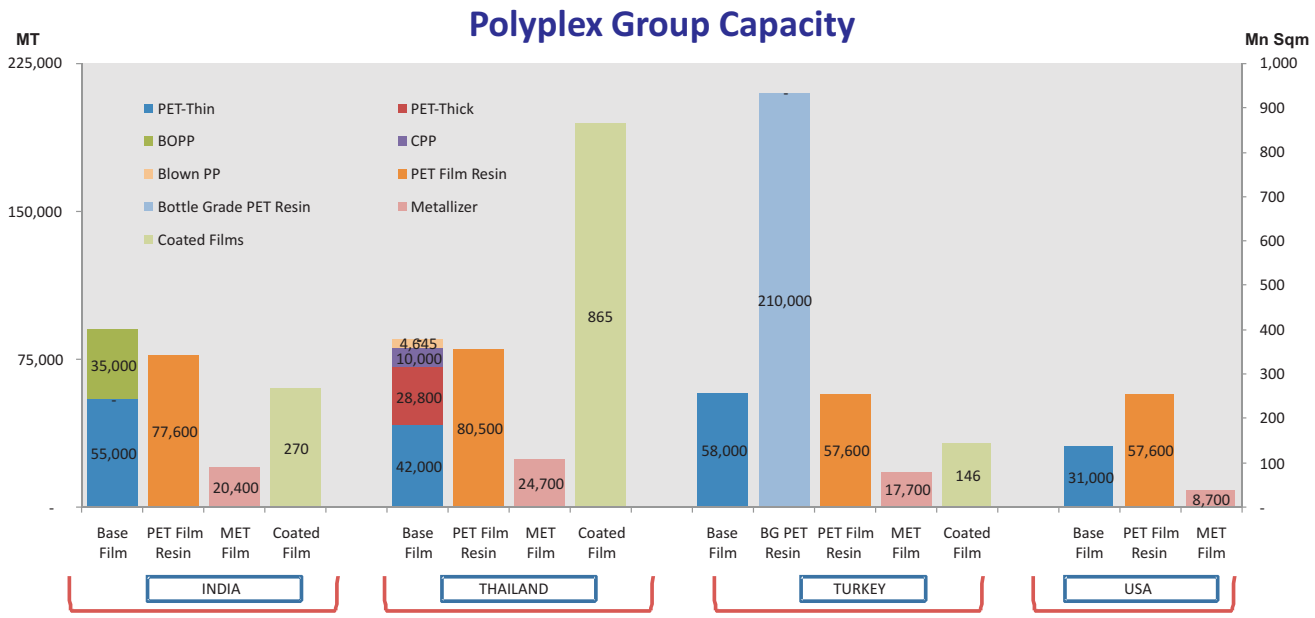
PEBV was established in Netherlands on April 17, 2013 as a 100% owned distribution subsidiary of PTL, to better service EU customers for Polyplex products. The Paid up Capital of Polyplex Europe B.V. as at March 31, 2014 is Euro 0.2 million.

Polyplex Paketleme Çözümleri Sanayi Ve Ticaret Anonim Şirketi (PP)

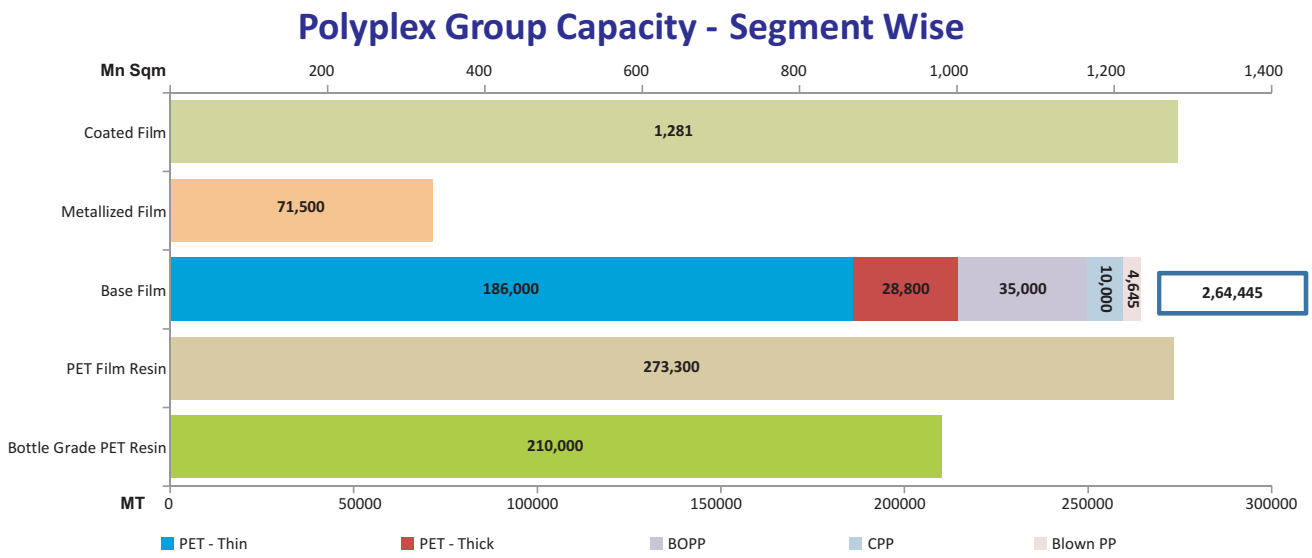
On September 11, 2013, PE established a Company in Turkey, named Polyplex Paketleme Çözümleri Sanayi Ve Ticaret Anonim Şirketi (PP) holding 100% of its share capital for trading of PET Film, PET chips and other products of the Company. The Registered Share capital of this Company is Turkish Lira 100,000 as of March 31, 2014, which has been fully called and paid up.

PRODUCTION CAPACITIES

On completion of all the ongoing / approved projects, manufacturing capacities at various locations are expected to be as follows:



Note :
1. *The Board of Investment (BoI) approved capacity in PTL, Thailand is:*
   PET films (48,000 tonnes), PET Chips (85,000 tonnes), Metallized films (29,400 tonnes) & Coated films (1,090 million sqm)
2. *Base Film, Resin & Metallized Film in Metric Tonne; Coating Capacity in Million Sqm.*



Note: Base Film, Resin & Metallized Film in Metric Ton; Coating Capacity in Million Sqm

PET FILM BUSINESS

The traditional method of segmenting the PET films business 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 (23-150 micron) lines have also been installed. The PET film industry has seen many structural changes over the past few years with Asian countries dominating production and consumption.

All these years, Polyplex was predominantly operating only in thin PET films, which represents three-fourth of the overall global PET film demand. The growth in flexible packaging has over the years 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 demand and the traditional high-end technology segments like magnetic media, printing media and imaging segments constitute less than 1% of the total consumption of thin PET films due to evolution of technology.

Commercial production has already started at the Company's first Thick Film line at Thailand during the year under review. The first film line in India had also been revamped in FY 2011-12 to produce intermediate thicknesses as well as specialty films. This will enable Polyplex to straddle the entire spectrum of end-uses by accessing the traditional industrial & electrical applications for thick films as also targeting several new & promising applications in optical and photovoltaic segments.

Thin PET Film

The largest application of thin PET films is flexible packaging, which accounts for 71% of the total thin films used. Flexible packaging plays a key role in source reduction on the principle of 'use less packaging material in the first place' which has ensured higher-than-GDP growth in the flexible packaging industry across the globe. PET film, being a higher-end preferred substrate within packaging, has grown more rapidly than other substrates, averaging around 7% - 9% per annum. Demand in packaging is quite resilient as it relates to consumption of food products and consumer staples which are to a large extent non-discretionary in nature. This characteristic of the packaging segment has resulted in steady growth in demand, despite economic slowdown / muted growth witnessed in the past.

An increase in the purchasing power in the developing countries has brought with it a rise in the per capita consumption of packaging material. The key drivers of demand growth in these regions are the increase in the share of organized sector in retailing, increasing consumerism, population growth and lifestyle changes arising out of higher disposable incomes, need for brand differentiation, environmental awareness, continuous product innovations, health awareness, favorable demographics and the resulting need for better and more convenient packaging. However, as compared to the mature markets, per capita consumption of packaging material in developing countries is still very low.

Population Growth

Urbanization

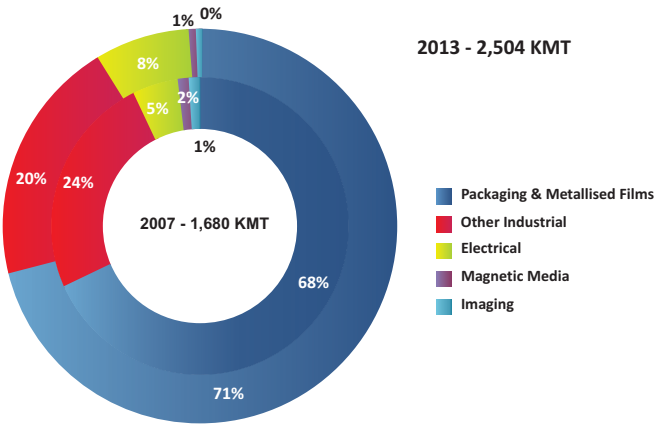
Improved Quality of Life

Increasing Environmental Awareness

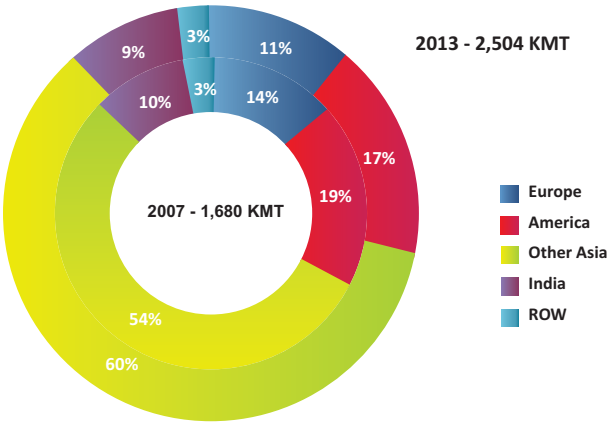
Increasing Consumerism

Asia is the largest market for thin PET films with more than three quarters of the global consumption in this region. Within Asia, India & China are the larger consumers of PET films. Growth in Asia is what is driving the overall global marketplace.

Global Thin PET Film demand by End Use



Global Thin PET Film demand by Region

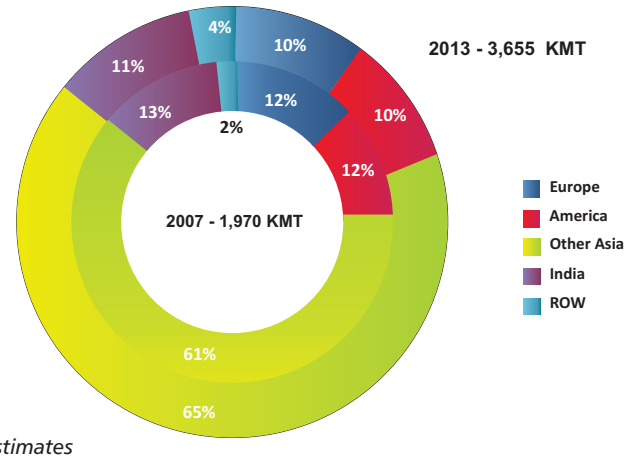


Source : Company estimates

A similar trend is also evident on the supply-side with most of the new capacities being added in low-cost developing countries. A large proportion of the new capacity is also focused on the packaging segment, with an emphasis on high productivity and low operating costs. This has adversely impacted the traditionally large producers of PET film operating with high cost structures, who have chosen to concentrate in niche technologies like films for LCDs, solar panels, touch screens and specific high-end applications within packaging. While trade defense measures like anti-dumping and countervailing duties have been frequently invoked in the past, in an increasingly competitive market environment, they were unable to address the inherent problems of old and less efficient assets operating in the developed countries producing standard films.

During the year 2013, the thin PET film industry witnessed an oversupply scenario due to excessive capacity addition following the exceptionally high margins witnessed in the PET film industry in 2010/2011. The supply overhang is expected to continue for some time.

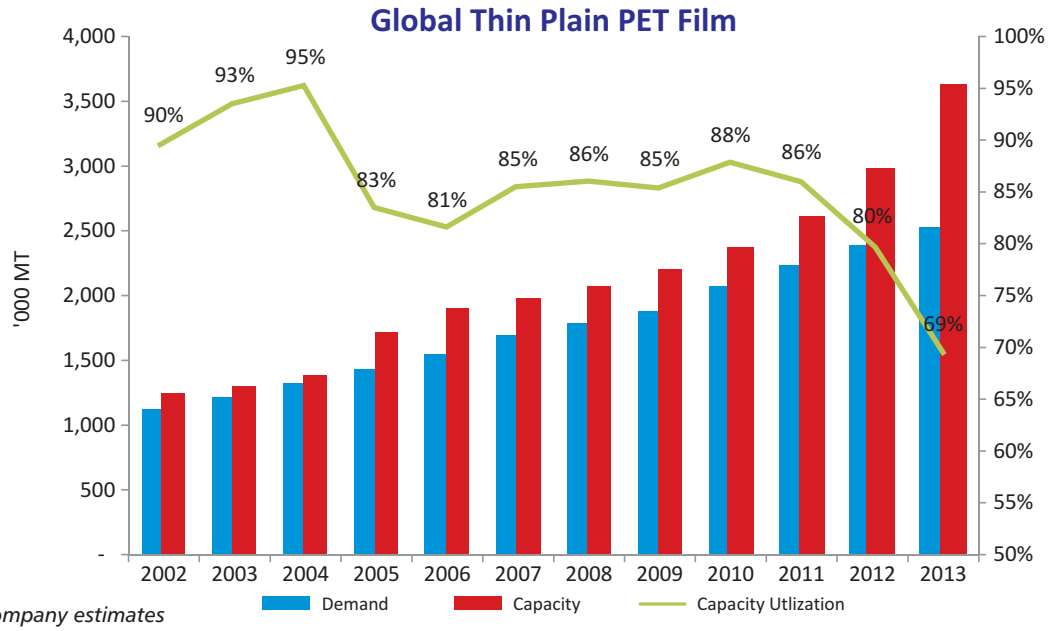
Global Thin PET Film capacity by Region



Source : Company estimates

Global thin PET film growth rates are expected to be at about 7% for the next few years, with the demand in India & "Other Asia" growing at a higher rate of 8% - 10%. Companies with consistent quality products, diversified product portfolio, access to international customers and a better supply chain model stand a better chance of participating in the market growth and improving/maintaining their margins above the industry averages.

The trend for global capacity utilization for thin PET film since 2002 is as under:



Source : Company estimates

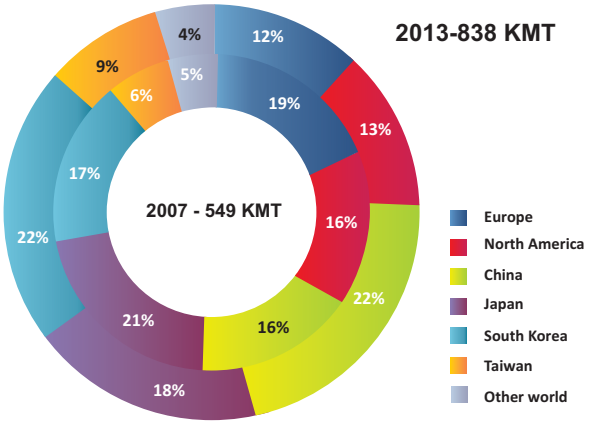
During the years 2002 to 2011, global average capacity utilization of PET film manufacturers was in the range of 80%-90% of rated or nameplate capacity. In the year 2013, utilization rate declined sharply below 80% due to excess capacity built up in the industry. The levels of 85%-90% are considered a high utilization rate being close to the full machinery capacity. In practice, some producers produce lower than the nameplate capacity due to the long use and hence the poor condition of machinery while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their long-time expertise and experience.

Thick PET Film

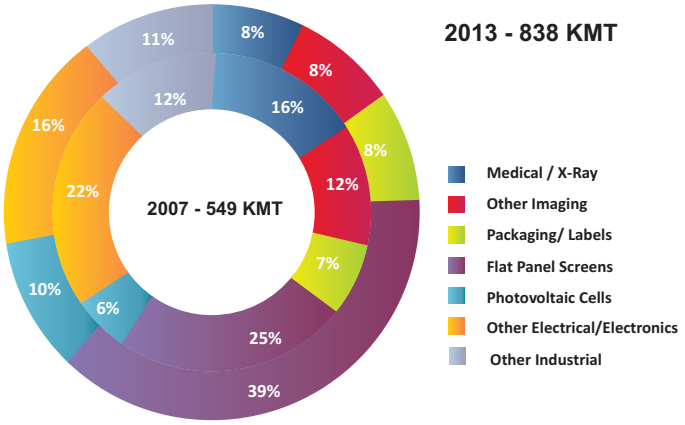
The demand for thick PET film is mainly concentrated in Central & East Asia region which accounts for around 70% of global consumption. Electrical and Industrial are the key end-use segments in the thick film industry. In the last few years the demand of thick PET film has been growing at a CAGR of about 6% to 7%. Global growth has been apparent in all end use sectors since 2007 with the exception of the Medical/Other X-ray sector which has experienced an average decline of 0.6% per annum. Over the past five years, China has emerged as the largest market for BOPET thick films, having overtaken Japan which was the world's leading market in 2007.

New innovations and new applications in the Electrical segments (like Flat Screen panel, photovoltaic, etc) have been driving the growth in the recent years and would help this industry to continue to grow at a CAGR of about 6% in the medium term.

Global Thick PET Film demand by Region



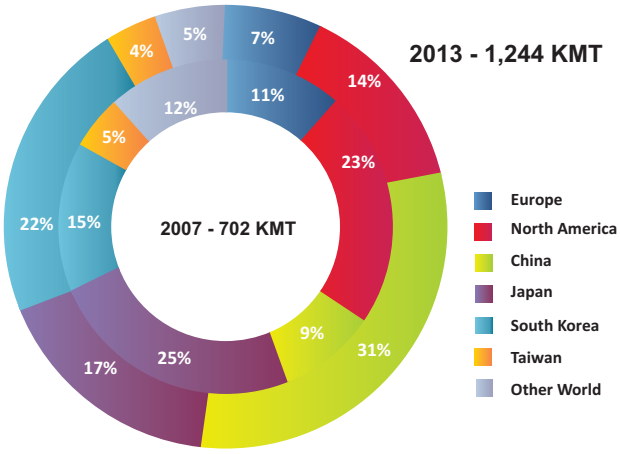
Global Thick PET Film demand by End use



Source : Company estimates

Similar to thin PET Film business, the additions in the capacity of thick PET film have been mainly by countries within Asia like China, South Korea and Japan. Producers in Europe and USA constitute around 20% of world capacity.

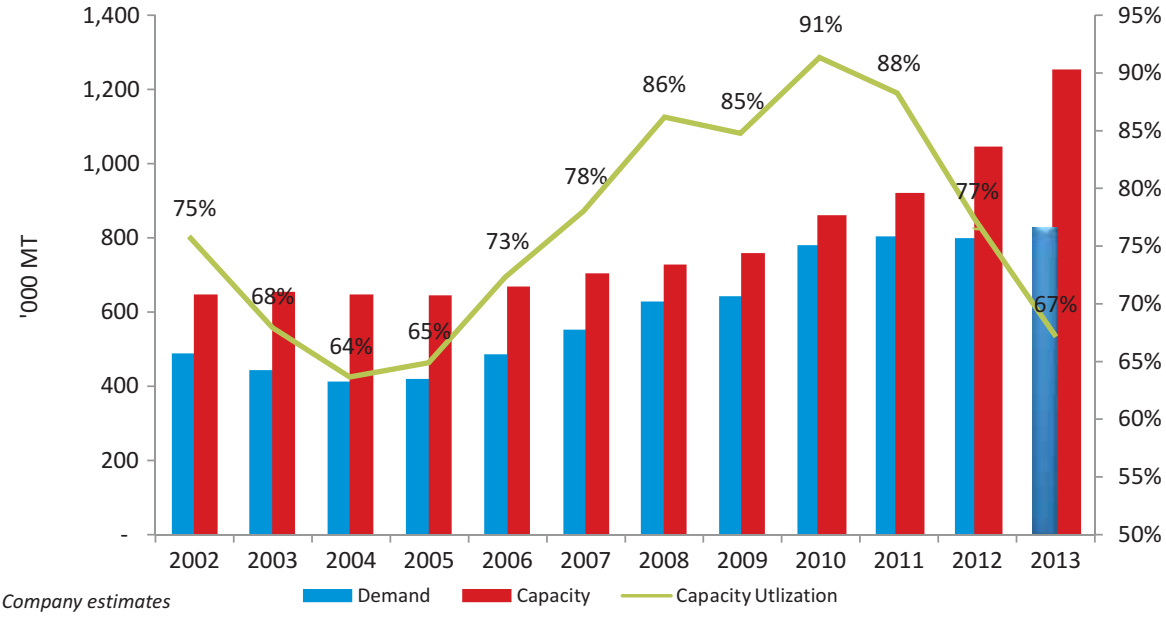
Global Thick PET Film capacity by Region



Source : Company estimates

The trend for global capacity utilization for thick PET film since 2002 is as under:

Global Thick Plain PET Film



Source : Company estimates

During the years 2002 to 2013, global average capacity utilization of Thick PET film manufacturers has been quite cyclical with the range of 60% - 90% of rated or nameplate capacity.

BOPP & CPP FILMS BUSINESSES

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

SILICONE COATING AND EXTRUSION COATING BUSINESSES

The Silicone coating business produces polyester release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Other applications of siliconised 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 for this product range by commissioning a second coating plant in Thailand in FY 2011-12.

PTL has also commissioned a Blown PP line in FY 2013-14. This new product has enabled better usage of the silicone coating facility with broadening of the product range including the "Peel & Stick" liner segment for the roofing market in North America and Europe.

The Extrusion coating business involves the combination of PET/BOPP film with an extruded adhesive layer to produce a thermal lamination film. Thermal lamination film is used for the application of plastic film to the surface of another item like paper in order to improve the durability and give it an aesthetic appeal. The main uses of this are in teaching aids, maps, certificates, posters, menu cards, book covers, carton board boxes, reflective insulation and food packaging. Considering the growth opportunities, PTL has added a second extrusion coating line at the existing facility in Thailand which started commercial production in June'13.

USA & EU are the main legacy markets for the products from these businesses. However, future growth rates are expected to be higher in Asia.

BOTTLE GRADE PET RESIN

The Company's brown-field Bottle Grade PET Resin plant is nearing commissioning in Turkey.

PET packaging material is widely used because of its strength, lightweight, shatterproof, non-reactive and economical properties. PET is safe for food, beverage, personal care, pharmaceutical and medical applications and is recognized by health authorities worldwide. It's the fastest growing packaging polymer globally. It's the only commercially viable & environmentally friendly mass packaging medium for liquids packaging with no commercially viable replacement in the foreseeable future.

There is potential for continued growth as more products like milk & beer shift from traditional forms of packaging to PET bottles. PET bottles offer unmatched value along with low cost, good gas barrier properties, light weight. It is FDA approved for food packaging and an ideal substitute for conventional materials such as PVC, polystyrene and glass bottles.

PET Bottles are recyclable and highly sustainable. It can be recovered and recycled — back into containers for foods, beverages and personal care products – or into carpet and clothing fibers, automotive parts, construction materials, industrial strapping or other packaging materials.

OFFLINE COATING BUSINESS

With the objective of enhancing its Product Portfolio, Company commissioned an offline coating line in Turkey in Q4 FY 2013-14 with another line in India slated to start in Q2 of FY 2014-15. This would enable the Company to harness greater margins in the value chain as well as to reduce dependence on commodity films.

FLEXIBLE PACKAGING INDUSTRY IN INDIA

India is one of the world's biggest and rapidly growing flexible packaging markets. The thin PET film market in India is estimated to be around 260,000 tonnes for the year 2013-14. During the current financial year, growth of 10%-12% is expected with sustained growth in the flexible packaging industry. The total capacity of BOPET thin films in India is about 560,000 tonnes with some of the surplus being exported to other parts of the world.

The BOPP market in India is estimated at about 240,000 tonnes for the year under review with a capacity base of 590,000 tonnes. Demand is expected to grow around 10% - 12% annually.

Exports of converted product have increased in recent times aided by strengthening of US Dollar vs. INR.

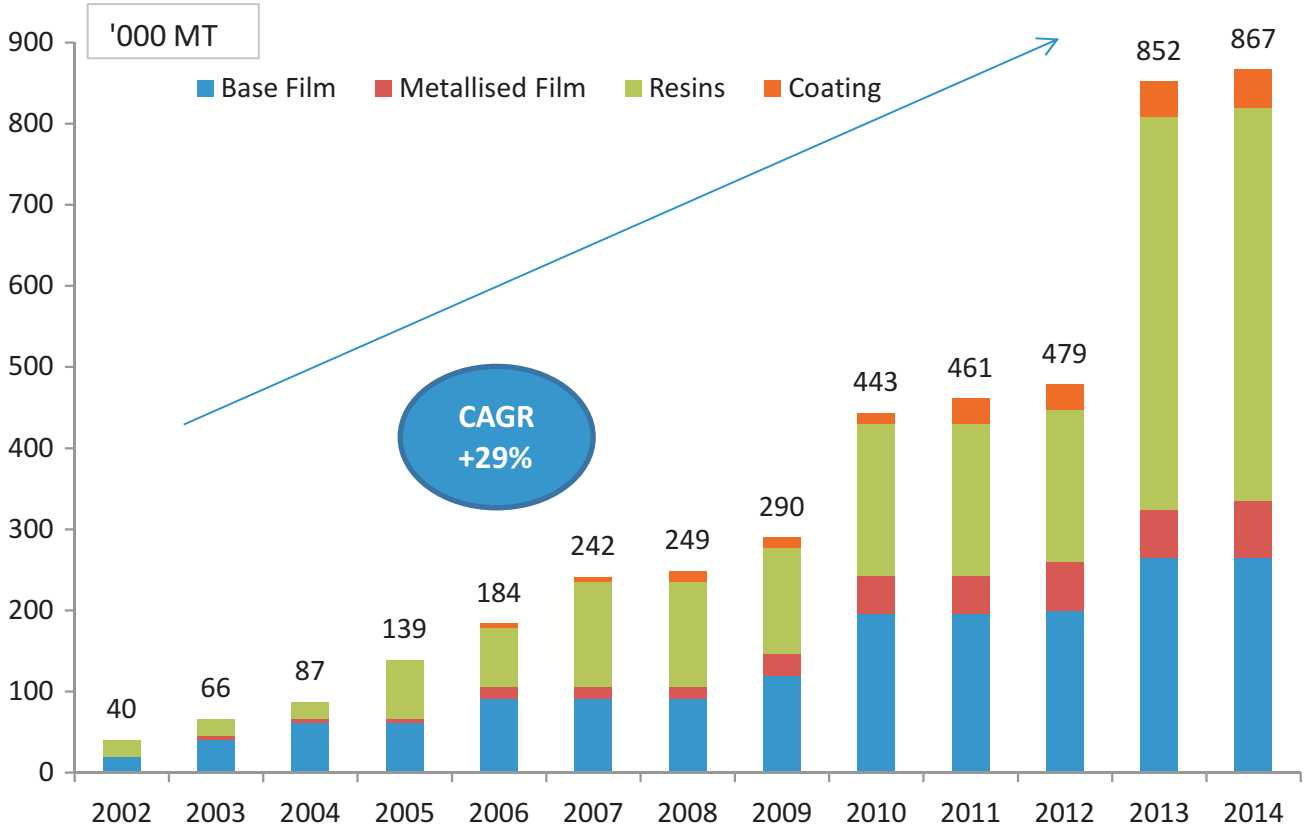
The demand of PET film in India has recovered from the steep cutback in demand due to ban on use of plastics in Gutka/Pan Masala in early 2011. Large capacity additions post the 2010 short supply situation has led to significant excess capacity. Capacity utilisation of existing Indian capacities is improving as not many capacity expansion plans are under progress. This is further expected to improve in FY 2014-15.

STRATEGY

Polyplex seeks to maximize long-term returns to the shareholders by following a differentiated approach and proactively responding to anticipated changes in the business and environment. The key elements of this strategy have been:

- Manufacturing or distribution presence in the key regional markets for an efficient delivery model. With manufacturing operations in four countries – India, Thailand, Turkey & USA , distribution operations in China & Netherlands and warehouses in Poland, Spain, Germany & Mexico, the Company has strong global delivery capabilities with a combination of near-shore and onshore production base and efficient onward distribution network.
- Acquisition of the distribution Company in the USA in early 2006 had been a strategic move of the Company which has created the base for subsequent investment into a manufacturing operation. The existing representative office in Malaysia and another being set up in Korea along with the distribution set up in various countries are other examples of the onshore distribution model.
- Supplementing the trend of continuous organic growth, the Company had acquired the plastic metallizing assets of Vacumet Corporation, based in Georgia, USA, a fully owned subsidiary of Scholle Corporation, USA in July, 2012. Most of these assets have been relocated to Decatur, Alabama and integrated with the thin PET film line while some shifted to other Group locations.
- Integrated manufacturing facilities with high productivity assets to ensure cost competitiveness.
- Enhancing the proportion of specialty product revenues.
- Accelerated investment in niche downstream products to exploit synergies in operations, broad base product portfolio and provide a platform for further growth. Setting up of the Extrusion Coating lines in Thailand, Silicone Coating lines in India & Thailand, Offline Coaters in Turkey & India and sheeting facility in India for Digital Print media segment are some of the downstream investments.
- Concentric diversification has helped the Company to establish itself as a complete packaging substrate provider. Setting up of the CPP line, Thick PET film line & Blown PP line in Thailand and BOPP line in India are the steps taken in this direction.
- Related Diversification by setting up a manufacturing unit for Bottle Grade PET Resin having a high capital turnover ratio.
- Investment in the fast growing beverage market in India is another step towards diversification. Packaged beverages & food products are one of the most fast growing categories in the consumer products space.
- Setting up of a plant in Thailand for recycling various types of in-house and sourced plastic waste addresses growing concerns and directional need for the PET business.
- Increased emphasis on upgrading technical services and development of new product by exploiting in-house R&D capabilities.
- Continuous improvements in all aspects of the operations and cost optimization through various initiatives viz; use of rice husk boiler for heating instead of more expensive furnace oil.
- Maintaining a liquid and strong balance sheet which gives it the flexibility to move quickly on any growth opportunity.
- Creating & investing in systems to enable cross learning and sharing of best practices/benchmarking across the various units & business of the Group to bring about better efficiencies & synergy.

The results of this strategy are exhibited in the successful growth achieved by the Company over the years. The Company has achieved a CAGR of 29% in capacity in the period of 2002 to the post expansion period i.e. 2014-15.



Note: Coater capacities converted into MT based on current product mix

Despite the challenging environment, the Company continues to identify attractive avenues for growth and is well-poised to create more long-term value for the shareholders.

PROJECTS

During FY 2013-14, many projects have become operational including the Thin PET film line in USA, Thick PET film with Resin plant in Thailand and other smaller projects like Blown PP, Extrusion Coating Line 2, Recycling plant in Thailand and Offline Coating plant in Turkey respectively. The Resin plant in USA has started in July 2014.

In FY 2014-15, the following projects are under implementation:

Project Details	Location	Capex Type	Expected Start up period
Metallizer	Thailand	Brownfield forward integration	Q3 of FY 2014-15
Metallizer	Turkey	Brownfield forward integration	H2 of FY 2014-15
Bottle Grade PET Resin	Turkey	Brownfield Similar Product Line	H2 of FY 2014-15
Offline Coater	India	Brownfield forward integration	Q2 of FY 2014-15

Metallizer – Thailand

The project envisages installation of a new metallizer in Thailand with an annual capacity of 6,500 TPA. The new line will have the capability to manufacture higher optical density films giving us an opportunity to capture the growth in this premium segment of the market.

Metallizer – Turkey

A new metallizer is being installed in Turkey with an annual capacity of 4,900 TPA. Similar to that of Thailand, the Company felt the need to augment capacity as well as portfolio of Metallized films. The new asset can produce transparent barrier films and ultra high barrier films which are not possible with the existing assets.

Bottle Grade PET Resin Plant – Turkey

The Company has completed trial runs for bottle grade PET resin plant in Turkey with the annual capacity of 210,000 tonnes. The Company is awaiting approval from regulatory authorities for start up of commercial production due to recent changes in local regulations. PET Bottles is a high growth industry with regional growth rates higher than corresponding GDP growth rates mainly driven by growth in the usage of FMCG products like Mineral water bottles, Carbonated Soft drinks etc. PET bottles offer unmatched value along with low cost as compared to glass bottles and PVC polystyrene.

The investment in this project was based on the following rationale:

- Strategic location which provides access to large domestic (Turkey) and near shore markets (West & East Europe). Large deficit markets like Bulgaria, Ukraine and Romania can be efficiently served out of Turkey.
- Allows for portfolio risk diversification, thereby reducing the almost complete dependence on the plastic film business.
- Higher capital turnover ratio (> 4 times) as compared to the existing business at about 1:1. Thus even a low margin on sales can deliver the benchmark returns on capital employed which is not the case with plastic film business.
- Customs Union with EU gives Turkey an edge over Asian manufacturers due to nil customs duty on exports from Turkey to the EU as compared with a normal duty rate of 6.5% or preferential duty rate under GSP of 3% applicable to other Imports. Further, there are no AD/CV duties for exports from Turkey to EU.

However, subsequent to the project initiation, several new developments have taken place which might have an overall impact on this business.

- The demand supply scenario has deteriorated in the target markets due to new capacities which were not envisaged earlier.
- The competition from Asia has increased on account of removal of all trade defense measures in EU against major exporting countries. In addition, PTA pricing in Asia is expected to remain under pressure in near future given the glut in capacity, thus resulting in increasing gap with European PTA.
- Classification of PET resin as non-sensitive item by EU resulted in "nil" duty even from GSP eligible countries versus 3% as applicable at the time of project conceptualization.
- Confirmation from customs department of Turkey that the safeguard duties on Bottle grade PET Resin shall be applicable even on those sales into Turkey which are made from Free Trade Zone. Efforts are underway to resolve this issue given that safeguard duties should not apply to Turkish origin product.
- Imposition of Safeguard duty on PTA, a key input for PET resin, would further impact the cost structure on sales within Turkey.

Overall, the Company continues to evaluate the competitive positioning of this project and would take all steps necessary to protect its investment in a difficult market scenario.

Offline Coater – Bajpur, India

The Company is setting up an Offline Coater at the existing location at Bajpur for producing specialty products with an annual capacity of 1500 TPA. This would enhance the existing product offering at a relatively lower capital cost.

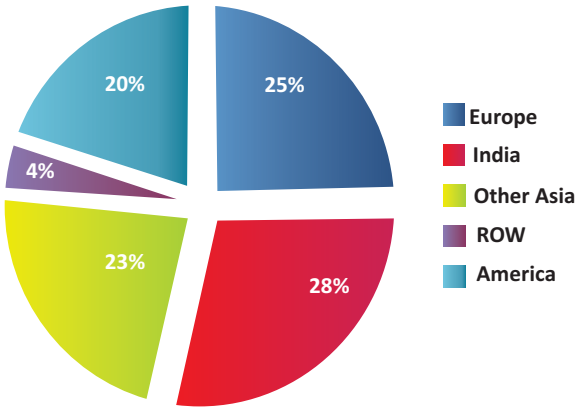
PERFORMANCE DURING THE YEAR

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

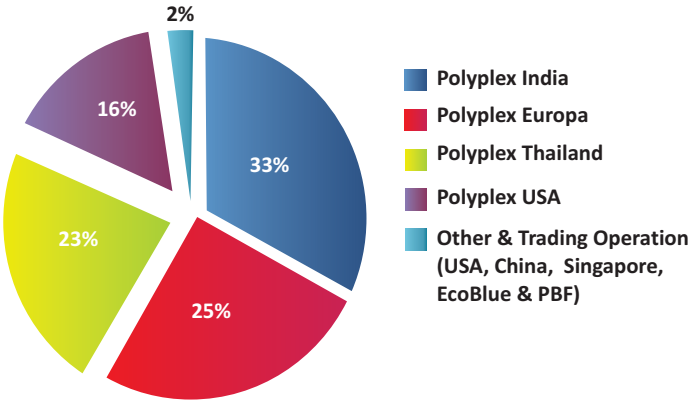
Sales & Operations:

The Company has a large international presence with active sales in all major regional markets / countries across the world. The Company has an extensive base of about 1571 end customers with low customer concentration. Its top 10 customers contributed 27% of total revenues in 2013-14. 67% of the Company's revenues were from PET films (Thin & Thick) in 2013-14. Of the total sales of the group, 67% is accounted for by the end-users. The breakup of the Company's revenues from the various regions, operating companies, business segment and applications wise are given below:

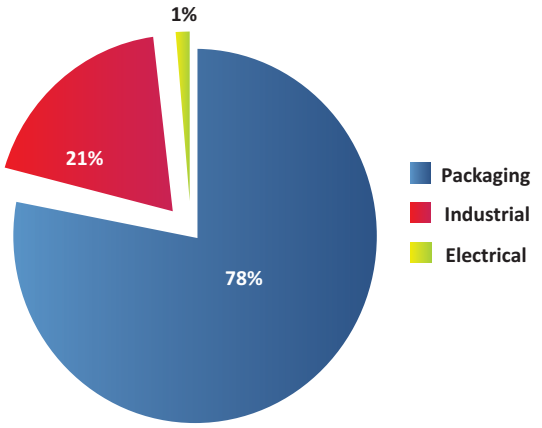
Region-wise Breakup of Sales



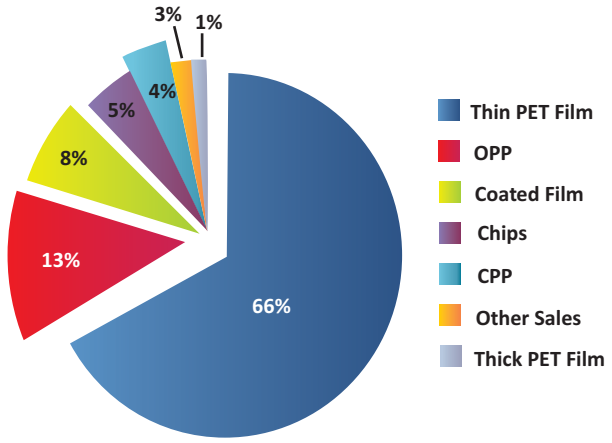
Operating Company-wise Breakup of Sales



Application-wise Breakup of Sales

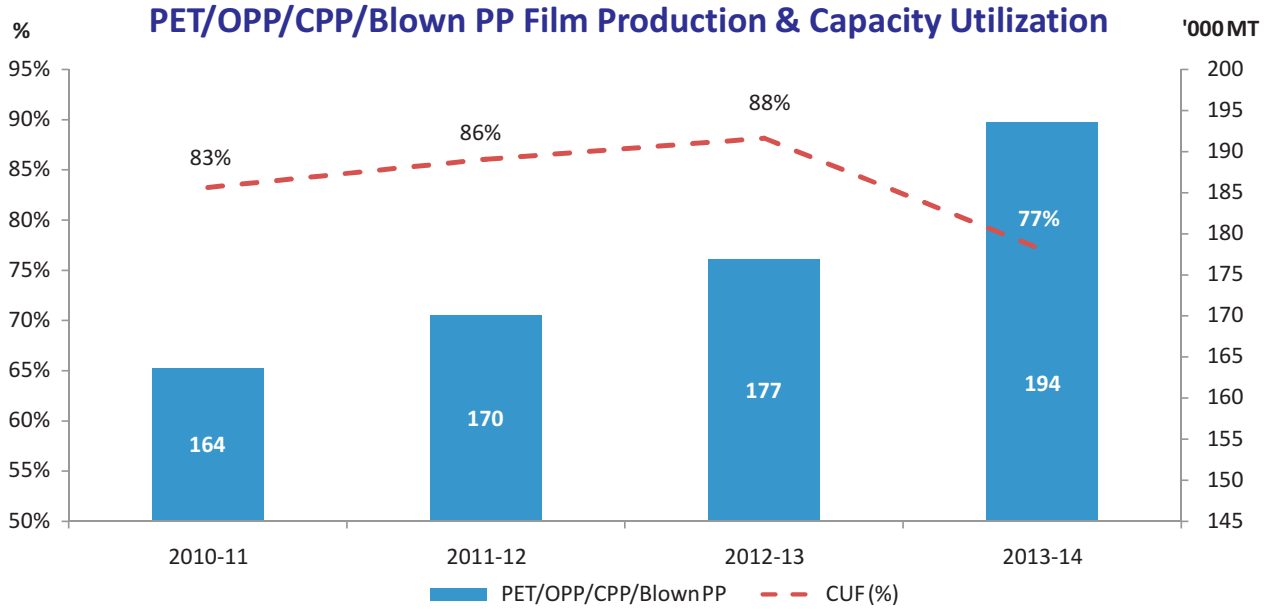


Business Segment-wise Breakup of Sales



During the year under review, there was a decline in the capacity utilization for base films as the thin PET film line in USA and the thick PET film line in Thailand started operations in the midst of a cyclical downturn and hence higher than anticipated time is being taken for ramp up in operations. The trend in production and utilization levels for all Base films (PET/OPP/CPP/ Blown PP) is as under:

PET/OPP/CPP/Blown PP Film Production & Capacity Utilization



FINANCIAL PERFORMANCE

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

	2013-14			2012-13			
	(Rs. in Lacs)		% of Total Expenses	(Rs. in Lacs)		% of Total Expenses	Change (YoY)
Sales & Other Income	320,930	100%		2,59,827	100%		24%
Manufacturing Expenses	249,126	78%	75%	1,91,447	74%	76%	
Operating and other Expenses	58,910	18%	18%	43,280	17%	17%	
EBITDA	**12,894**	**4%**		**25,100**	**10%**		**–49%**
Interest & Finance Charges (Net)	5,398	2%	2%	3,234	1%	1%	
Depreciation and Amortization	19,152	6%	6%	14,995	6%	6%	
Income Before Income Tax	**(11,656)**	**–4%**		**6,871**	**3%**		**–270%**
Provision for Income Tax	(6,453)	–2%		241	0%		
Net Income (Before Minority Interest)	**(5,202)**	**–2%**		**6,629**	**3%**		**–178%**
Minority Interest	(4,519)	–1%		4,506	2%		
Net Income (After Minority Interest)	**(683)**	**0%**		**2,123**	**1%**		**–132%**

During the year under review, decline in EBITDA is mainly on account of unrealised foreign exchange fluctuation loss on reinstatement of long term loans charged to profit & loss statement in overseas entities as per local accounting guidelines and increase in manufacturing cost in comparison to the previous year. Further lower net profit margins is due to the start up of commercial production of various new projects which would take time to stabilize/ramp-up. This is partially set-off by deferred tax assets recognised due to first time adoption of deferred tax accounting in USA & Thailand.

1. Sales and Other Income

	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	Change (YoY)
Sales & Operational Income	316,832	253,119	25%
Other Income	4,098	6,707	–39%
Total	**320,930**	**259,827**	**24%**

The increase in the top line in the year under review is mainly contributed by additional sales volumes from new production lines at various locations as well as increase in the selling price of base films in India. The overseas revenue has got further accentuated on conversion into INR by the favorable exchange rate movements during the year.

Other income includes mainly interest income generated through deployment of surplus cash in low risk money market instruments/Bank Deposits/Corporate Bonds. The decrease in other income is due to foreign exchange fluctuation gains (net) during the previous year as against foreign exchange fluctuation losses incurred during the year under review, which is grouped under other expenses.

The Break-up of Sales and Operational Income reveals 67% from Thin/Thick PET Film (71% in 2012-13), 5% from PET Chips (3% in 2012-13), 8% from Coating businesses (8% in 2012-13), 13% from BOPP films (13% in 2012-13), 7% from CPP films/other sales (5% in 2012-13).

2. Manufacturing Expenses

	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	Change (YoY)
Raw Materials Consumed (Incl. Stock Accretion/Decretion)	209,824	1,58,252	33%
Power & Fuel	19,807	16,758	18%
Packing Material Consumed	10,842	8,903	22%
Stores & Spares Consumed	6,569	5,711	15%
Repairs and Maintenance	2,085	1,823	14%
Total Manufacturing Expenses	**249,126**	**1,91,447**	**30%**
as a % of Sales and Other Income	*78%*	*74%*	

Manufacturing expenses in absolute terms have increased by 30% and as a percentage of sales and other income, have gone up from 74% to 78% due to increased sales volumes and higher input prices.

Other manufacturing costs like power & fuel, packing cost, stores & spares and repair & maintenance have also increased mainly due to increased sales volumes, increase in energy prices, impact of inflation, FX fluctuations & maintenance expenditure.

3. Operating and other Expenses

	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	Change (YoY)
Personnel Expenses	24,571	17,967	37%
Administrative Expenses	12,270	11,038	11%
Selling Expenses	14,956	13,996	7%
Other Expenses	7,112	279	2449%
Total Operating and other Expenses	**58,910**	**43,280**	**36%**
as a % of Sales and Other Income	*18%*	*17%*	

Operating and other expenses are significantly higher reflecting the impact of inflation, expanded scale of operations on account of several new projects commissioned and FX fluctuations during the year. Further, steep increase in other expenses includes mainly foreign exchange fluctuation loss (net) as compared to gain in previous year.

4. Interest & Finance Charges (Net)

	2013-14 (Rs. in Lacs)	2012-13 (Rs. in Lacs)	Change (YoY)
Interest Expense	5,037	2,786	81%
Bank & Other Financial Charges	361	447	–19%
Total Interest and Finance Charges	**5,398**	**3,234**	**67%**
as a % of Sales and Other Income	*1.7%*	*1.2%*	

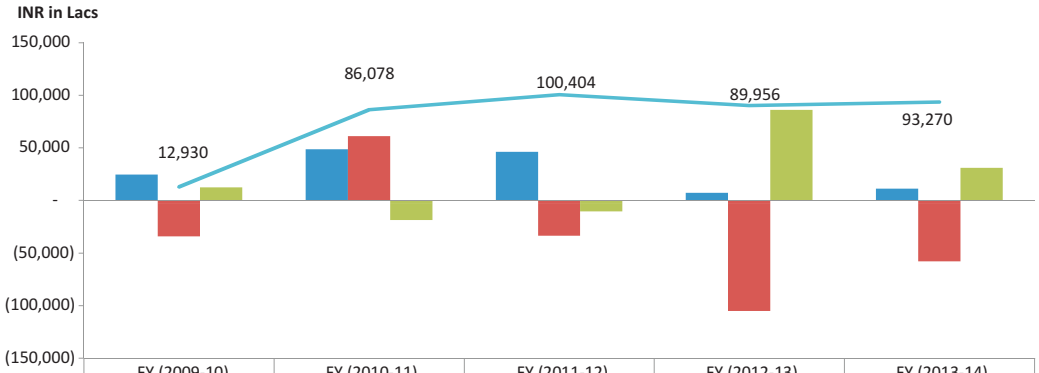
Financial expenses are higher than the previous year due to interest on loans availed against new assets where commercial operations started during the year.

5. Liquidity & 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 INR 1,23,463 Lacs (including unutilized working capital limits of INR 29,542 Lacs) as at the end of the reporting period.

Cash flows for last 5 financial years



	FY (2009-10)	FY (2010-11)	FY (2011-12)	FY (2012-13)	FY (2013-14)
Net Cash flow from Operating activities	24,674	48,690	46,254	7,178	11,353
Net Cash flow from Investing activities	(34,017)	61,101	(33,563)	(104,914)	(57,696)
Net Cash flow from Financing activities	12,358	(18,520)	(10,258)	86,214	31,060
Total Cash & Cash equivalent at the end of the year	12,930	86,078	100,404	89,956	93,270

Net Cash flow from Operating activities — Net Cash flow from Investing activities
Net Cash Flow from Financing activities — Total Cash & Cash equivalent at the end of the year

Cash flow from operations

For the year under review, cash-flow from operating activities has increased to INR 11,353 Lacs on account of better margins in India and expanded scale of operations, which is partly offset by higher operating costs and increase in net working capital invested in the business.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of INR 60,706 Lacs in 2013-14 (INR 104,572 Lacs in 2012-13), mainly towards on-going projects at various locations. Interest and dividend income during the year is INR 2,444 Lacs (INR 2,845 Lacs in 2012-13).

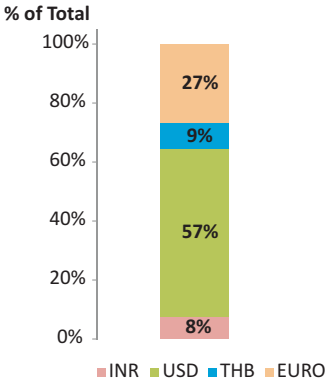
Cash flow from financing activities

During the year a net amount of INR 28,231 Lacs was borrowed (after accounting for repayment) against long-term and short-term debt (INR 73,819 Lacs net borrowing in 2012-13). Interest paid during the year was INR 5,350 Lacs (INR 3,237 Lacs in 2012-13). The Company paid dividend (including distribution tax) of INR 949 Lacs in 2013-14 (INR 1,483 Lacs in 2012-13).

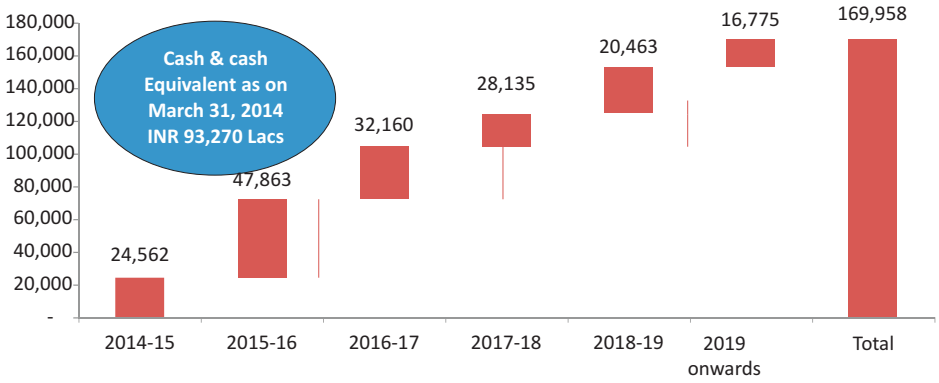
6. Debt Profile

Total debt as on March 31, 2014 is INR 207,862 Lacs, an increase of INR 49,877 Lacs from a debt level of INR 157,985 Lacs as of March 31, 2013. This is due to the loans availed for the various ongoing projects undertaken in Thailand, Turkey and USA.

Total Debts - Currency wise



Term Loan Repayment Schedule (INR Lacs)



SUSTAINABILITY

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

As an organization, the Company continually strives to:

- Improve production and operational efficiencies to have optimal consumption of resources like electricity, water and raw materials.
- Minimize the impact on the environment by reduction and better management of emissions, waste and effluents from operations.
- Improve safety and health standards by practicing better work procedures, continuously improving the working conditions, monitoring and controlling work place hazards, creating awareness through active involvement, participation and continuous training.
- Engage with all stakeholders in value chain to encourage and promote sustainable business practices.

Polyplex has undertaken following substantive environment related improvement initiatives:

- Switchover from Furnace Oil to Husk for oil heating at Bajpur which leads to reduction in green house gases. The similar initiative is under implementation at Khatima facility during the current year.
- Start monitoring of carbon footprint at all manufacturing locations.
- Successful development of Green PET film with a significant proportion of bio sustainable inputs and/or usage of recyclate.
- Setting up recycling unit in Thailand in order to provide sustainable solution for film based process waste.

The Company has been following best practices relating to Environment, Health and Safety and has been diligently following the guidelines been set out as per the following certifications:

Systems Standards		**PCL–Khatima**	**PCL–Bajpur**	**PTL–Thailand**	**PE–Turkey**
ISO 9001:2008	Quality Management System	Certified since 1996	Certified since Nov'2010	Certified since 2004	Certified since Nov'2006
ISO 14001:2004	Environment Management System	Certified since 2002	Certified since Nov'2010	Certified since 2004	Certified since Feb'2009
OHSAS 18001: 2007	Occupational Health & Safety Management System	Certified since 2004	Certified since Apr'2012	Certified since Jun'2008	Certified since Feb'2009
ISO 22000:2005	Food Safety Management System	Certified since May'2008	Certified since Apr'2012	Certified since Dec'2009	N.A.
BRC-IOP	Food Safety Management System	N.A.	N.A.	N.A.	Certified since Nov'2006
ISO 50001:2011	Energy Management System	Certified since Nov'2013	Certified since Nov'2013	–	–

In USA, for some of these certifications, the work is under way and shall be implemented in the near future.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As an industry that potentially has a high impact on the environment, Polyplex is conscious of its corporate responsibility towards the environment and society. Responsibility towards all stakeholders and external agencies is encouraged in order

to foster a good corporate culture and social responsibility. Through R&D initiatives, Polyplex has pioneered the use of bio-based renewable raw material and energy for the production of polyester film.

At its plant location in Khatima, India, the Company runs a school since the past two decades with over 1600 students which provide equal educational opportunities to children from all sections of the society. In order to provide high quality education to children of the local community at Bajpur, the Company has set up "Polyplex Foundation", a society registered under the Societies Registration Act, 1860, to establish and run a private unaided CBSE affiliated school.

Under a Public Private Partnership (P.P.P.) model at Bajpur and Khatima, Polyplex has adopted two local schools, providing necessary infrastructure. Polyplex has also undertaken a slew of sports and education sponsorships, besides full scholarships to school-going children of deceased employees. Polyplex promotes inter-religious harmony through its even-handed support of local religious activities and celebrations.

Polyplex is closely integrated into local communities through comprehensive and sustained social programmes.

In line with the requirements of Companies Act, 2013, Company has also constituted a CSR Committee with dedicated focus on achieving the desired objectives. This Committee is committed to deliver a positive impact across social, economic and environmental parameters.

INNOVATION

Polyplex Innovation Center has adopted the "Lean Innovation Model "which focuses mainly on creation of profitable value to the customers. It aims to provide more than simply a new product or a substrate. Polyplex Innovation Center has extended collaborative programmes in the field of Nano, barrier and bio degradable product technologies. Polyplex has adopted a defined and formalized customer engagement process to align with customers' needs.

- **Commitment to Open Innovation:** It works on the concept of co-creation in various innovation programmes with our extended partners which include customers, brand owners, packaging designers, suppliers and adhesive manufacturers Polyplex has a structured Customer engagement initiative as V+ (value plus) , W2 (win –win) , P1 (Power of One).

- **Initiatives in Growth field** : Polyplex Innovation model is built up on creating new applications and new product technologies covering both existing and new growth segments.

- **Product and Application development (PAD) programs** : The purpose of this program is to continuously create differentiated products and applications for our customers. Innovations are mainly based on development of new functional surfaces and properties for Polyester & PP based products.

We continuously offer innovative solutions to our partners. The Company has developed solutions for aluminum foil/PVC replacement applications. Polyplex sustainable products include oxo-biodegradables, post consumer recyclables, heavy metal free and renewable based films. Polyplex specialty products include high barrier, high metal adhesion, transparent barrier, sterilizable PET films and specialized films for print media suitable for direct digital printable and UV inks etc.

HUMAN RESOURCES

Polyplex has taken various initiatives during the last year to improve the quality of worklife of employees and to provide in house training by setting up a skill development centre. The Company has also conducted development centers to assess the potential at the middle and senior management levels with focus on specific development plan for taking over higher leadership roles. The current manpower base is about 1870.

The Company has successfully implemented its web based Human Resource Information System (HRIS) by covering all aspects of "recruit to retire" processes and IT enabled HR information systems thereby improving efficiency and accuracy of information and quality of decision-making on people related issues.

The Company has created "Business Process Excellence (BPE)" team for spearheading major Group level improvements initiatives besides capitalizing on inter unit learning and deployment.

Industrial Relations (IR) have been harmonious at all the units.

INFORMATION TECHNOLOGY

During the year under review, initiatives were taken for IT enablement of manual processes for master data maintenance and reporting. The Company has started using virtualized platform of server to improve utilization, efficiency and flexibility of data centers. Remote Disaster Recovery (DR) facility has been established for Indian operations and improvements have

been planned in DR facilities for other locations. The global mail communication system of the Company was moved on world class cloud infrastructure for secured, cost effective and high availability environment.

The Company enhanced internet bandwidth in all locations to support better communication. The Company continues to invest in better communications infrastructure. The Company has also undertaken the review of its existing IT network and security systems with help of external experts to create a short term and long term roadmap for improvement in these areas in all locations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company is fully committed to ensure an effective internal control environment which provides assurance to the Board of Directors and the management that there is a structured system for:

- Purchases (including raw materials, stores and spares, plant & machinery, equipment and other similar assets)
- Sale of goods
- Monitoring of Operations
- Safeguarding assets from unauthorized use
- Maintaining proper financial reporting system
- Evaluating and managing risks and
- Compliance with statutory regulations.

The Company has an overall framework for managing the risks in terms of the Enterprise Risk Management (ERM) policy.

The internal control system is supplemented by an independent internal audit function which reports directly to the CEO. Continuous efforts are made to review the existing system to bring about further improvements and document process gaps. The Company continuously upgrades its internal control system by measures such as strengthening of IT infrastructure and use of external management assurance services. Further, companywide adherence to best practices is achieved through a combination of internal audits, management reviews and audit committee interventions.

FUTURE OUTLOOK & PLANNED INVESTMENTS

The exceptionally high margins in 2010/2011 have attracted a lot of new investments in the PET film business. Even for the next 12 months, additions to global capacity are expected to be higher than the growth in demand, and hence the current situation of oversupply is expected to remain for another 1-2 years. New entrants from China have been increasingly dominating the market for PET film in the last 2-3 years, but their production is expected to mainly fulfill domestic demand which is growing rapidly.

The Company remains confident that with its strengths of distributed manufacturing operations, a diversified product portfolio, consistent quality, access to international customers, efficient supply chain model, higher proportion of value added products and conservative balance sheet, it should be able to grow profitably and withstand volatility in industry environment. The Company is well poised to capture growth opportunities in all its business segments within the confines of business prudence.

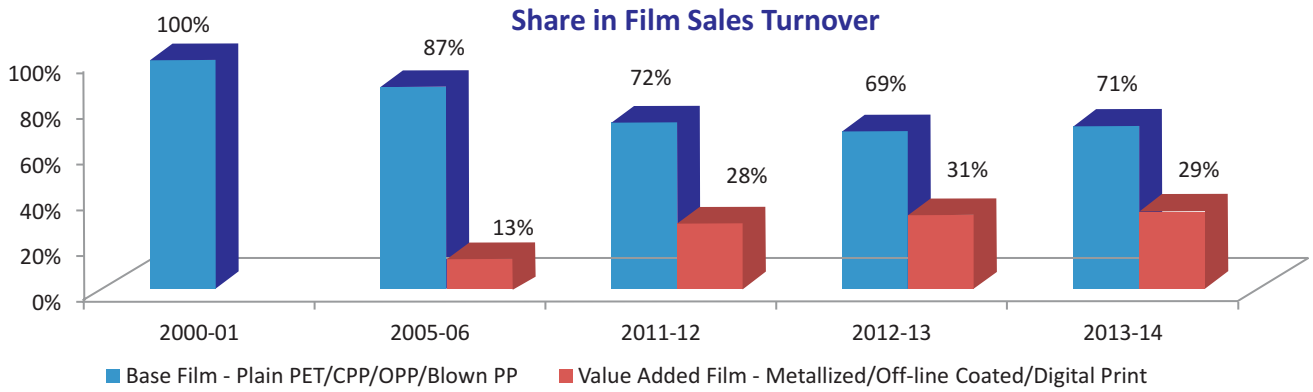
RISKS

Competition & Business Cycles

The FY 2013-14 witnessed a situation of significant oversupply, which has continued from 2012, thereby resulting in margins remaining at historically low levels as the manufacturers were unable to increase selling prices proportionately to pass on raw material cost increase. There is a high likelihood of excess supply for the next 12-24 months whereas growth in demand is expected to be linear, and hence the current situation of over supply is expected to remain for some more time. The Company's business model is designed to moderate volatility in earnings and build long-term competitiveness based on:

- State-of-art manufacturing assets with the ability to service key regional markets based on low delivered cost.
- Geographically distributed manufacturing enabling better delivery capabilities, which provides better access to the global markets and a more balanced sales profile across regions, customers and currencies.
- Integrated manufacturing with co-location of PET resin production as well as downstream metallizing and offline coating lines.

- Broad-basing of product lines with diversification into BOPP, CPP, Films for Digital Print, Blown PP and Thick & Specialty films, enabling the Company to offer a more complete package to the end user.
- Portfolio of different substrates, off-line coating of films and specialty films, which have different demand-supply conditions, helps in moderating the fluctuations in overall margins and reduces the exposure to commodity films.
- Related diversification in a new segment by setting up a manufacturing unit for Bottle Grade PET Resin having a high capital turnover ratio.
- Increased focus on new product development through R&D or technology absorption besides creating a strong technical services team are likely to be additional differentiators between Polyplex and its competition.
- Increasing the proportion of specialty/value added product revenues. A historical trend is given below:



Volatility in Commodity Prices

The basic raw material for production of PET film is PET resin, which in turn is produced from Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG).

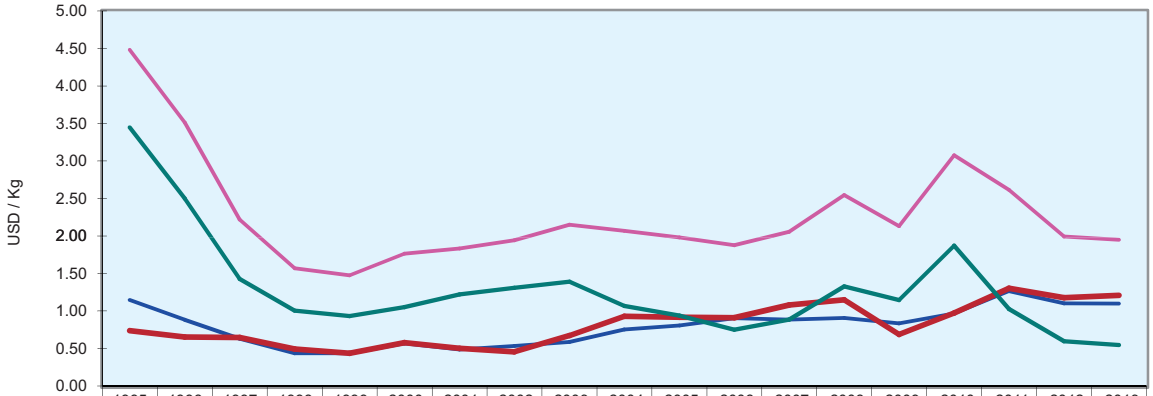
Cost of resin is the single largest component of the total production cost of Polyester film and any adverse fluctuation in the resin price can impact the Company's operating margins depending upon the ability of the Company to pass on the increase in costs to its customers. As selling prices are usually 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 the PET resin cost and other operating costs.

During the FY 2013-14, the Thin PET film industry continued witnessing a significant over supply situation, brought about by the additional supplies which came into the market following extraordinary high margin levels witnessed in year 2010-11. There was tremendous pressure on the selling prices, due to which the margins of all PET film manufacturers declined to historically low levels. In our estimate, the oversupply situation is expected to continue for some more time, and once demand growth catches up with supplies, the markets should witness a more balanced scenario and the margins should rebound to normal levels.

Analysis of historical data shows high correlation between PTA/MEG and polyester film prices. The spread between two intermediates would vary depending upon the demand-supply situation. Also sudden and sharp movements in raw material prices may affect the correlation for some time.

The chart below shows the past trend in the pricing of PET film correlated with that of PTA & MEG for the Far East Asian region:

Thin PET Film - PTA - MEG Price Trend (Far East)



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PET Film (12 Mic. Corona)	4.48	3.51	2.22	1.57	1.48	1.76	1.83	1.94	2.15	2.07	1.98	1.88	2.06	2.54	2.13	3.08	2.61	1.99	1.95
PTA	1.15	0.88	0.63	0.44	0.44	0.57	0.49	0.53	0.59	0.75	0.81	0.90	0.88	0.91	0.84	0.97	1.27	1.10	1.10
MEG	0.74	0.65	0.65	0.49	0.44	0.58	0.50	0.46	0.67	0.93	0.92	0.91	1.08	1.15	0.69	0.97	1.30	1.18	1.21
VA Over PTA & MEG	3.44	2.50	1.43	1.01	0.93	1.05	1.22	1.31	1.39	1.07	0.94	0.75	0.89	1.33	1.14	1.87	1.02	0.60	0.55

Source: Company Analysis

Variations in the raw material prices by and large tend to get passed on to the end-customers and the spread between the raw material and PET films normally move in a band. However, as per the above industry data for Far East, the year 2012 & 2013 has witnessed considerable oversupply thus leading to all time low spreads. Similar dynamics are at play in the BOPP/CPP films and Thick PET films.

The Company monitors world and local input price trends carefully and determines its procurement plans accordingly. Moreover the raw material price movement is also common for all the participants of the industry and does not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors.

The prices of the downstream products like silicone coated and extrusion coated films are less susceptible to changes in raw material prices and reduce the overall portfolio risk.

Trade Defense Measures

International trade in PET film has been subjected to trade defense measures for more than two decades through the imposition of anti-dumping duties and countervailing duties.

Anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the countries of the exporters. The important markets adopting this measure are the EU, US and Brazil against several countries. Countervailing duty (CVD) can be imposed if the government or any government agency provides any subsidy to any exporter of such country. Such tariff measures result in an increase in the delivered price of the goods, usually rendering the targeted exporters uncompetitive. In both cases injury to domestic industry in the importing country has to be established.

In the last US Anti-dumping petition of 2007 against producers of PET film from Thailand, China, Brazil and UAE, duties were imposed against China, UAE and Brazil in the range of 3.5% to 76.7%, 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 recent administrative reviews conducted by the US Department of Commerce, duties on these countries (other than Thailand) have been reiterated at almost similar levels with the minimum being revised to 1.41%.

As per the final results of the administrative review conducted by the US Department of Commerce for the review period 2011-12, exports from Polyplex India to US are subject to Anti Dumping Margins of 0.78% and CVD rates of 7.6%. However, with the start up of thin PET film line in USA, Polyplex is able to service customers in USA through local production. Over the last year or so, AD & CVD duties imposed by EU on imports from India have been eliminated.

Since March 2012, Brazil has imposed AD duties on imports of PET films from Turkey, UAE and Mexico in the range of USD 67.44/MT to USD 1013.98/MT, with duty on exports from Polyplex Turkey to Brazil being the lowest. However, as sales from Polyplex Turkey to Brazil are limited, the impact of AD duty is minimal. In July 2013, duties imposed by Brazil on imports of PET films from India (AD & CVD both) & Thailand (AD only) lapsed but recently an anti dumping investigation has been initiated in Brazil on imports of PET Films from China, Egypt and India.

The Company undertakes all safeguards to insulate against the risk arising out of anti-dumping actions and other trade barriers imposed by the importing countries. A geographically well-diversified manufacturing and sales portfolio also helps mitigate the adverse fall-out of such an action, if any.

Liquidity & Solvency

Global activity strengthened during 2013 and is expected to improve further in 2014-15. The impulse has come mainly from advanced economies, although their recoveries remain uneven. With supportive monetary conditions and a slow fiscal consolidation, annual growth is projected to rise above recent trends in the United States and to be close to trend in the core Euro area economies. In the stressed Euro area economies, however, growth is projected to remain weak & fragile as high debt and financial fragmentation hold back domestic demand. Growth in emerging market economies is projected to pick up only modestly. These economies are adjusting to a more difficult external financial environment in which international investors are more sensitive to policy weakness and vulnerabilities given prospects for better growth and monetary policy normalization in some advanced economies.

Notwithstanding large capital outlay over the last two years, the Company has sufficient cash reserves, affording the debt equity ratio to be comfortably below 1.00. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to more than INR 1,23,463 Lacs (including unutilized working capital limits of INR 29,542 Lacs) as at the end of the reporting period. The Company's liquidity position along with forecasted profitability is a key factor for investment decisions. Despite on-going expansions, the Company maintains adequate liquidity and ensures debt levels remain within prudent norms of leveraging.

Despite significant borrowings for the various ongoing projects, the net gearing ratio at the end of the year 2013-14 is quite comfortable at 0.40.

The Company periodically undertakes "Stress" tests to evaluate the potential impact of an adverse economic and industry environment. Free cash flows along with large unutilized credit lines shall be quite adequate in any kind of stress situation.

Exchange Rate & Interest Rate Risk

FX risk arises on account of sudden/unanticipated changes in exchange rates. As the Company deals in multiple currencies due to its operations at different locations and high export orientation, there is a risk on account of currency mismatches. Since the currency markets are highly volatile, the Company's policy is to minimize the risk by adopting the natural hedge strategy. Natural hedge is created by choosing the right trade currency and loan currency. Thus, the Company fixes the currency of the liability in order to match with the currency of operational surplus. The remaining mismatched exposures are optimized by the Company through a careful process of identification, measurement, monitoring and hedging the net exposures by using simple instruments like forwards such that the maximum potential loss is within a defined risk limit. As there is a natural hedge available for all the 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 shall be met out of future receivables in the same currency. The FX risk is managed at each entity on a standalone basis to protect the varying stakeholder's interest in each location and since cashflows are not freely transferable between group entities.

The Company also continuously monitors its structural risk in order to understand the underlying FX risk and its impact on the business.

The main currencies of borrowing for the Company are USD, EURO, INR & THB. As the Company is net USD surplus, the maximum borrowings are in USD, contributing 57% of the debt profile, followed by Euro borrowings which contribute 27% and balance by INR & THB. Any spike in USD appreciation has a negative impact on our USD loan liability but with majority of our exports in USD, the impact on the Company is subdued.

Interest rate risk is the risk borne by interest bearing debt and investments, due to variability in interest rates. In case of financing done at floating rates, as the interest rates changes (due to monetary actions), cost of borrowing also changes, thus impacting the cash flows. In order to have a more balanced loan portfolio and taking into account the cost benefit analysis, the Company has shifted some of its floating rate debt to fixed rate through interest rate swaps in order to make the portfolio less susceptible to rise in interest rates. Out of the total debt portfolio, as on March 31, 2014, 90% was floating in nature.

Credit Risk

Credit risk refers to the risk of non-payment by the debtors. This risk rises in case of unsecured or open payment terms. The average credit period of the Company during 2013-14 was 46 days as compared to 49 days in 2012-13. The risk is secured either through trade instruments or credit insurance. The Company has a well defined and robust internal credit management system to monitor unsecured sales. Over the years, the number of customers has increased to 1571 in 2013-14 with low concentration as evidenced by 27% of the total revenues in 2013-14 being contributed by the top 10 customers of which about half is from large distributors with a diversified end customer base.

Though the overall financial instability across the globe has led to some degree of increase in the credit risk associated with the sales, a strong internal credit risk management policy has enabled it to manage credit risk prudently.

Project Implementation Risk

Risks associated with implementation of new projects are inherent to the business. Any delay in implementation, cost overrun, inability to stabilize production from the new investment and failure to meet the target investment objectives may significantly affect the future profitability and financial position. The risks are sought to be mitigated by forming a dedicated project management team, corporate management oversight, management commitment and suitable protection clauses in contractual arrangements and appropriate insurance products. Although the Company takes into consideration various regulatory aspects at the project feasibility stage but subsequent changes during implementation phase may lead to project delays.

Market Risk

The major risk associated with any new project is the market risk. Since Polyplex has a global reach and an extensive marketing and distribution network, the Company does not foresee any major risk in developing markets for new products. The bottle grade PET resin plant is based on a strategic location which provides access to large domestic (Turkey) and near shore markets (West & East Europe). Also, the large deficit markets like Bulgaria, Ukraine & Romania can be most efficiently served out of Turkey.

Country Risk

The installed capacity of base films as also downstream units is quite evenly spread out among the four manufacturing country locations of India, Thailand, Turkey & USA. Therefore fortunes for the parent Company in India are intricately interwoven with the success of the manufacturing operations in Thailand, Turkey & USA. Based on the Company's experience so far, as well as, that of a whole spectrum of foreign owned businesses present in Thailand and Turkey for a long time and in USA now, it would appear that the risks are not significant. Though some political problems have been faced in the past at Thailand and Turkey, it has had almost no impact 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.

Other Risks

Other key risks include natural disasters, machinery breakdowns, product and public liabilities. As these risks are largely insurable, the Company follows a risk mitigation philosophy by availing suitable insurance products to the extent it is commercially viable.

Other factors which may affect performance, earnings and liquidity are global occurrences like the 2008 financial crisis, ongoing European crisis, etc besides plant failures; legal cases and proceedings; developments or assertions by or against us relating to intellectual property rights; large claims from customers due to product quality deficiencies; disruptions in transportation, utility services, IT infrastructure and ERP systems; substitution of the Company's products by other products; employee work stoppage at plants; changes in government regulations on the use of plastics, labor laws, taxation etc.

Cautionary Statements about Forward Looking Statements

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. For some of the important factors that could cause the Company's actual results to differ materially from those projected in any such forward-looking statements see the Risk Factors discussion set forth later in this section.

DIRECTORS' REPORT

Your Directors have pleasure in submitting the Twenty-ninth Annual Report and Audited Accounts for the year ended March 31, 2014.

1. Financial Highlights and Operations

The stand-alone financial performance of the Company for the year ended March 31, 2014 is summarized below:

(Rs. in Lacs)

Particulars	2013-14	2012-13
Gross Revenue	**1,14,146.20**	99,673.57
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	**11,702.99**	10,327.95
Less : Finance Costs	**2,019.33**	2,170.68
Less : Depreciation & Amortisation	**7,321.72**	7,785.41
Profit before Tax and Exceptional Item	**2,361.94**	371.86
Add: Exceptional Item- Gain/ (Loss)	**—**	116.13
Profit before tax but after exceptional item	**2,361.94**	487.99
Tax expense & prior period adjustment	**(898.78)**	(23.50)
Profit after Tax (PAT)	**3,260.72**	511.49
Add : Surplus brought forward	**26,621.28**	27,121.33
Profit available for Appropriations	**29,882.00**	27,632.82
Appropriations:		
Transfer to General Reserve	**327.00**	52.00
Proposed Final Dividend	**639.69**	959.54
Corporate Dividend Tax	**108.72**	—
Balance surplus carried to Balance Sheet	**28,806.59**	26,621.28

2. Consolidated Working Results (Under Indian GAAP)

(Rs. in Lacs)

Paticulars	2013-14	2012-13
Gross Revenue	**3,20,930.10**	2,59,826.63
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	**12,894.39**	25,099.55
Less : Finance Costs	**5,398.50**	3,233.64
Less : Depreciation & Amortisation	**19,151.59**	14,995.40
Profit/(Loss) before Tax and Exeptional Item	**(11,655.70)**	6,870.51
Add : Exceptional Item - Gain /(Loss)	**—**	—
Profit/(Loss) before tax but after exceptional item	**(11,655.70)**	6,870.51
Provision for tax & prior period adjustment	**(6,453.40)**	241.21
Profit/(Loss) after Tax before Minority Interest	**(5,202.30)**	6,629.30
Less : Minority Interest	**(4,518.91)**	4,506.04
Profit/(Loss) after tax and Minority Interest	**(683.39)**	2,123.26
Earnings Per Share of Rs.10/- Each (Rs.) (Basic)	**(2.14)**	6.64
Earnings Per Share of Rs.10/- Each (Rs.) (Diluted)	**(2.14)**	6.64

3. Year in Retrospect

During the year under review, the Consolidated Gross revenue has increased on account of additional sales volume from new production lines at various overseas locations as well as better prices in India. The overseas revenue has got further accentuated on conversion into INR by the favorable exchange rate movements during the year. However, EBITDA and net profit numbers have declined significantly due to large unrealized foreign exchange fluctuation losses on reinstatement of long term loans charged to profit & loss statement in overseas entities as per local accounting guidelines and also due to the start-up of commercial operations in various new projects which are taking time to stabilize/ramp-up.

During the year under review, many projects have become operational including the Thin PET film line in USA, Thick PET film with Resin plant in Thailand and other smaller projects like Blown PP, Extrusion Coating Line 2, and Recycling plant in Thailand and Offline Coating plant in Turkey respectively. The Resin plant in USA has started in July 2014.

More details on operations and a view on the outlook for the current year are given in the 'Management Discussion & Analysis Report', which forms part of the Annual Report.

4. Dividend

The Board has recommended Final Dividend of Rs. 2/- per share (tax free in the hands of shareholders), which would be paid after its declaration by the Members in the ensuing Annual General Meeting.

5. Subsidiary Companies

A large proportion of your Company's consolidated revenues and earnings pertain to the investments in subsidiaries outside India. The performance of the subsidiaries considering the business scenario during the year has been satisfactory.

Following two companies viz Polyplex Europe B.V. registered in Netherland and Polyplex Paketleme Cozumleri Sanayi ve Tickaret Anonim Sirketi registered in Turkey became step-down subsidiaries during the period under report.

In terms of General Circular No.2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, Companies have been granted general exemption from the provisions of Section 212 of the Companies Act, 1956 from attaching accounts of its subsidiaries, subject to fulfilment of conditions mentioned therein. In terms of the said circular financial data is given in the Details of the Subsidiary Companies in this report.

7. Consolidated Financial Statements

Audited Consolidated Financial Statements for the year ended March 31, 2014 under Indian GAAP are attached.

8. Directors' Responsibility Statement

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000 your Directors confirm that: -

i) In the preparation of the annual accounts, the applicable accounting standards have been followed;

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, 2014 and of the profit of the Company for the year ended on March 31, 2014.

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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors have prepared the annual accounts on a 'going concern' basis.

9. Other Statutory Information

Information as required by Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached.

Particulars of employees as required to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts, excluding the statement of particulars of employees, are being sent to all the shareholders of the Company. Any shareholder interested in obtaining a copy may write to the Company Secretary of the Company.

10. Directors

Mr. Sanjiv Chadha retires by rotation and being eligible offers himself for reappointment.

Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan and Dr. Suresh Inderchand Surana existing non-

executive directors on the Board of the Company, whose office was liable to retirement by rotation and recognised as Independent Directors as per Clause 49 of the Listing Agreement, are now proposed to be appointed as 'Independent Directors' as defined in Section 2(47) pursuant to Section 149(6) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 as also revised Clause 49 of the Listing Agreement, which is to come in force with effect from October 1, 2014.

Notice convening the Annual General Meeting includes the proposal for appointment / reappointment of Directors.

Pursuant to the Special Resolutions passed by the Members in the last Annual General Meeting, the Company has since received the approval from the Central Government in respect of excess remuneration paid to Mr. Pranay Kothari, Executive Director during the Financial Year 2012-13 and approval to the payment of remuneration for the Financial Year 2013-14.

11. Auditors

The Company's Auditors M/s. Lodha & Co., Chartered Accountants, (Registration No. 301051E) retires at the forthcoming Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, the said Auditors are eligible to be appointed for a maximum further period of three years. Certificate from the said Auditors has been received to the effect that they are eligible to act as Auditors of the Company under Section 141 of the Companies Act, 2013 read with Rules made thereunder. Based on the recommendations of the Audit Committee, your Directors recommend the appointment of M/s. Lodha & Co., Chartered Accountants, as Auditors of the Company from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

12. Internal Auditors

Based on the recommendations of the Audit Committee the Board has approved the reappointment of M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2014-15.

13. Cost Auditors

M/s. Sanjay Gupta & Associates, Cost Accountants have completed the audit of the Cost Accounts of the Company for the Financial Year 2013-14 in respect of products manufactured by the Company falling under Chapter Heading 39 under the Central Excise Tariff Act, 1985.

14. Depository System

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.

15. Acknowledgement

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

For and on behalf of the Board

Place : Noida
Date : August 13, 2014

Sanjiv Saraf
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

A. CONSERVATION OF ENERGY:

Following steps were taken for conservation of energy:

- Regular Energy audit is conducted to improve energy efficiency in various processes.
- Installation of on/off timer on electrical devices to avoid idle running.
- Reducing idle running of in-line and off-line grinders by interlocking with the film line operations.
- Replacement of conventional lights with LED.
- Use of non-conventional sources of energy.

As a result of above measures Company was able to save on cost of power and fuel.

B. RESEARCH & DEVELOPMENT (R&D)

In house R&D was carried out to develop:

- High barrier PET films for replacement of aluminium foils.
- Transparent barrier films for dry and wet food packaging.
- Heavy metal free PET films / films based on green material for packaging applications.
- Opaque and coloured PET films for various packaging and industrial applications.
- Digital films as a substitute for photo printing paper.
- Alternates to PVC film applications.

As a result of above R&D activities, new products were added to Company's portfolio and development of new applications as well as new customers resulting in widening of market.

Revenue expenditure on R&D incurred during the year Rs. 243.65 Lacs (Previous Year – Rs. 219.51 Lacs). Capital expenditure on R&D incurred during the year Rs. 0.33 Lacs (Previous year – Rs. 0.64 Lacs). Total R&D expenditure as a percentage of total turnover is 0.21%.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Company constantly keeps its production processes up to date with technology available.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned : Rs. 27,029.81 Lacs
(Previous Year – Rs. 29,632.22 Lacs)

Used : Rs. 6,787.57 Lacs
(Previous Year – Rs. 6,233.34 Lacs)

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

(INR in Lacs)

Sr. No.	Name of the Subsidiary Company	Financial year ending of the subsidiary	Number of Equity/ Ordinary Shares/ Common Stock held	Extent of holding (Directly and/or through other subsidiary/ies)	For the Financial Year of the subsidiary		For the Previous Financial Year since it became a subsidiary	
					Profits/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 7)	*Profis/(Losses) so far it concerns the members of the holding company and dealt with in the books of account of the holding company*	*Profit/(Losses) so far it concerns the members of the holding company and not dealt with in the books of account of the holding company (except to the extent dealt with in col. 9)*	*Profits/(Losses) so far it concerns the members of the holding company and dealth with in the books of account of the holding company*
1	2	3	4	5	6	7	8	9
1	Polyplex (Asia) Pte. Ltd. (PAPL)	31/03/2014	Common Stock of US$ 10,00,000 of no par value held directly.	100.00%	3,817.37	Nil	93,012.64	Nil
2	Polyplex (Thailand) Public Company Ltd. (PTL)	31/03/2014	132,000,000 Ordinary Shares of Baht 1 each held directly and 276,000,000 Ordinary Shares of Baht 1 each held by PAPL.	51.00%	(6,401.98)	Nil	29,818.86	Nil
3	Polyplex (Singapore) Pte. Ltd. (PSPL)	31/03/2014	Entire Common Stock of 1,00,000 Ordinary Shares of no par value agregating to US $ 10,00,000 held by PTL.	51.00%	(4.22)	Nil	2,290.15	Nil
4	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S (PE)	31/03/2014	15,00,000 Shares of TRY 5 each held by PSPL.	51.00%	3,972.32	Nil	48,991.37	Nil
5	Polyplex Trading (Shenzhen) Company Ltd*. (PTSL)*	31/03/2014	Entire Ordinary Shares aggregating to US $ 4,00,000 held by PSPL.	51.00%	(2.17)	Nil	(9.66)	Nil
6	PAR LLC, (PAR)	31/03/2014	Common Stock of 220,000 shares of no par value aggregiting to US $ 22,00,000 held by PAPL.	100.00%	(64.86)	Nil	(34.23)	Nil
7	Polyplex America Holdings Inc. (PAH)	31/03/2014	Entire Common Stock aggregating to US $ 2,22,00,000 held by PTL.	51.00%	1,930.62	Nil	(38.90)	Nil
8	Polyplex USA LLC (PU)	31/03/2014	Entire member's units of US $ 2,22,00,000 held by PAH.	51.00%	(2,293.29)	Nil	(455.17)	Nil
9	Polyplex Resins Sanayi Ve Ticaret A.S (PR)	31/03/2014	28,28,279 Ordinary Shares held by PE and 13,93,033 Ordinary Shares held by PAPL of TRY 5 each.	67.17%	(371.75)	Nil	(599.58)	Nil
10	EcoBlue Limited (EL)	31/03/2014	8,52,000 Ordinary Shares of Bhat 10 each held by PTL.	40.80%	5.78	Nil	112.91	Nil
11	Peninsula Beverages and Foods Company Private Limited (PBF)	31/03/2014	98,74,555 Equity Shares of INR 10 each held by PAPL.	100.00%	(881.57)	Nil	(373.01)	Nil
12	Polyplex Europe B.V. (PEBV)*	31/03/2014	2,000 Shares of Euro 100 each held by PTL.	51.00%	0.42	Nil	N.A.	N.A.
13	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP)*	31/03/2014	20,000 Shares of TRY 5 each held by PE.	51.00%	(1.57)	Nil	N.A.	N.A.

Notes :

1 The financial statements of the subsidiary companies have been converted into Indian Rupees using the following exchange rates prevailing on March 31,2014 : US Dollar = INR 60.0593, Thai Baht = INR 1.8522, Euro = INR 82.7282, Yuan = INR 9.6615 and TRY = INR 28.0575.

2 Polyplex (Asia) Pte. Ltd., Singapore is wholly owned subsidiary. All other companies are step down subsidiaries of the Company.

3 Polyplex Europe B.V. (PEBV) and Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP) become subsidiaries during the year.

4 * Financial Information is based on Unaudited Financial Results.

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(Furnished pursuant to Ministry of Corporate Affairs, Government of India General Circular No.:2/2011 dt. February 8, 2011)

(Amount in Lacs)

Sr. No.	Name of the Subsidiary Companies and Country of Incorporation	Currency	Capital	Reserve/ (Deficit)	Total Assets	Total Liabilities	Details of Investment (other than in sub-sidiaries)	Turnover/ Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend
1	Polyplex (Asia) Pte. Ltd., Singapore	US $	11.30	1,612.24	1,623.68	1,623.68	204.65	164.08	64.91	1.35	63.56	–
		INR	678.67	96,830.01	97,517.08	97,517.08	12,291.14	9,854.53	3,898.45	81.08	3,817.37	–
2	Polyplex (Thailand) Public Company Ltd., Thailand	Thai Baht	8,000.00	24,789.69	83,939.55	83,939.55	–	45,775.28	(7,634.47)	(857.18)	(6,777.29)	–
		INR	14,817.60	45,915.46	155,472.83	155,472.83	–	84,784.97	(14,140.57)	(1,587.67)	(12,552.90)	–
3	Polyplex (Singapore) Pte. Ltd., Singapore	Euro	91.45	54.18	145.68	145.68	–	0.01	(0.10)	0.001	(0.10)	–
		INR	7,565.49	4,482.21	12,051.84	12,051.84	–	0.83	(8.27)	0.09	(8.27)	–
4	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S., Turkey	Euro	88.30	1,255.32	1,445.10	1,445.10	–	1,045.27	94.15	–	94.15	–
		INR	7,304.90	103,850.36	119,550.52	119,550.52	–	86,473.31	7,788.86	–	7,788.86	–
5	Polyplex Trading (Shenzhen) Company Ltd., China*	YUAN	27.31	(2.40)	54.80	54.80	–	69.42	0.34	0.78	(0.44)	–
		INR	263.86	(23.19)	529.45	529.45	–	670.70	3.28	7.54	(4.25)	–
6	PAR LLC, USA	US $	22.00	(1.65)	20.38	20.38	–	–	(1.08)	–	(1.08)	–
		INR	1,321.30	(99.10)	1,224.01	1,224.01	–	–	(64.86)	–	(64.86)	–
7	Polyplex America Holdings Inc., USA	US $	296.16	61.76	378.08	378.08	–	–	(0.28)	(63.31)	63.03	–
		INR	17,787.16	3,709.26	22,707.22	22,707.22	–	–	(16.82)	(3,802.35)	3,785.54	–
8	Polyplex USA LLC, USA	US $	294.59	(89.73)	1,593.01	1,593.01	–	845.31	(125.49)	(50.62)	(74.87)	–
		INR	17,692.87	(5,389.12)	95,675.07	95,675.07	–	50,768.73	(7,536.84)	(3,040.20)	(4,496.64)	–
9	Polyplex Resins Sanayi Ve Ticaret A.S. Turkey	Euro	89.00	(17.48)	592.69	592.69	–	–	(6.57)	0.12	(6.69)	–
		INR	7,362.81	(1,446.09)	49,032.18	49,032.18	–	–	(543.52)	9.93	(553.45)	–
10	EcoBlue Limited, Thailand	Thai Baht	106.50	157.06	625.74	625.74	–	146.62	7.65	–	7.65	–
		INR	197.26	290.91	1,159.00	1,159.00	–	271.57	14.17	–	14.17	–
11	Peninsula Beverages & Foods Company Private Limited, India	INR	987.46	(1254.58)	420.43	420.43	20.39	159.32	(881.57)	–	(881.57)	–
12	Polyplex Europe B.V. (PEBV), Netherland*	Euro	2.00	0.01	9.79	9.79	–	10.23	0.01	–	0.01	–
		INR	165.46	0.83	809.91	809.91	–	846.31	0.83	–	0.83	–
13	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP), Turkey*	TRY	1.00	(0.11)	0.91	0.91	–	–	(0.11)	–	(0.11)	–
		INR	28.06	(3.09)	25.53	25.53	–	–	(3.09)	–	(3.09)	–

Note :

1 The financial statements of the subsidiary companies have been converted into Indian Rupees using the following exchange rates prevailing on March 31,2014 : US Dollar = INR 60.0593, Thai Baht = INR 1.8522, Euro = INR 82.7282, Yuan = INR 9.6615 and TRY = INR 28.0575.

2 Polyplex Europe B.V. (PEBV) and Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP) become subsidiaries during the year.

3 * Financial Information is based on Unaudited Financial Results.

4 The Company will make available the financial statement/details upon request by any investor of the Company and its susidiaries interested in obtaining the same. The annual accounts of the subsidiary companies are also kept for inspection by any investor at the Registered Office/Corporate Office of the company and at its subsidiary companies between 10:00 a.m. and 1:00 p.m. on all working days.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, the details of Corporate Governance and processes including compliances by the Company with the provisions of Clause 49 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 condition 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. The Board consists of 7 Directors of which 1 is Executive Director and 6 are Non-Executive Directors. All the Non-Executive Directors are Independent Directors except Mr. Sanjiv Saraf and Mr. Sanjiv Chadha who are from Promoters' Category. Independent Directors bring independent judgement in the Board's deliberations and decisions.

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) Non-Executive Directors' compensation :

Non-Executive Directors of the Company are paid sitting fee @ Rs.20,000/- per meeting of the Board or any Committee thereof, in addition to reimbursement / provision of travelling/stay expenses as per Rules of the Company.

c) Board Meetings :

During the Financial Year 2013-14, Six Board Meetings were held on April 27, 2013, May 30, 2013, August 14, 2013, October 28, 2013, November 14, 2013 and February 14, 2014.

Attendance of each director at the Board meetings and number of other Boards or Board Committees in which he is a member or Chairperson across various Companies is as follows:

Name of the Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Director-ships**	Other Committee Memberships***	
Mr.					Member	Chairman
Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent, Non Executive	5 out of 6	Yes	5	2	1
Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent, Non Executive	3 out of 6	No	Nil	Nil	Nil
Pranay Kothari DIN: 00004003	Non-Independent, Executive	6 out of 6	Yes	3	3	1
Brij Kishore Soni DIN: 00183432	Independent, Non Executive	6 out of 6	No	Nil	Nil	Nil
Suresh Inderchand Surana DIN: 00009757	Independent, Non Executive	3 out of 6	No	2	Nil	Nil
Jitender Balakrishnan DIN: 00028320	Independent, Non Executive	4 out of 6	Yes	12	5	2
Ravi Kumar* (Nominee of IDBI Bank Ltd.) DIN: 02362615	Independent, Non Executive	2 out of 2	N.A.	1	Nil	Nil

Rakesh Awasthi* (Nominee of IDBI Bank Ltd.) DIN: 00252540	Independent, Non Executive	3 out of 4	Yes	1	Nil	Nil

* IDBI Bank Limited withdrew nomination of Mr. Ravi Kumar and nominated in his place Mr. Rakesh Awasthi as Nominee Director on the Board of the Company with effect from July 16, 2013.

** No. of Directorship/Membership held in other Companies excludes Directorship/Membership in Private Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

*** For determining the membership of Committees only Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he is a director.

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

Sr. No.	Name of the Director	No. of shares held as on 31.03.2014
1.	Mr. Sanjiv Saraf	46,138
2.	Mr. Sanjiv Chadha	4,000
3.	Mr. Suresh Inderchand Surana	200

e) Information placed before the Board includes :

The Board is supplied with the necessary information as stipulated in Annexure IA of Clause 49 of the Listing Agreement, to the extent applicable.

f) Review of Compliance Report :

Compliance Report signed by the Executive Director is placed before the Board at every Board Meeting.

g) Code of Conduct :

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management. The Code has been circulated to all the members of the Board and Senior Management 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. Finance Committee

(a) Constitution :

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. – 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 2013-14, Four meetings of the Finance Committee were held on April 27, 2013, July 16, 2013, September 28, 2013 and February 28, 2014.

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

Name of the Member	Meetings attended
Mr. Sanjiv Saraf	3 out of 4
Mr. Pranay Kothari	4 out of 4
Mr. Brij Kishore Soni	2 out of 4

4. Audit Committee

a) Constitution :

The Audit Committee comprised of following Independent and Non-Executive Directors viz., Mr. Brij Kishore Soni, Mr. Ravi Kumar and Dr. Suresh Inderchand Surana.

Mr. Ravi Kumar, Nominee Director of IDBI Bank Limited ceased to be the Member of this Committee due to withdrawal of nomination from the Board of the Company with effect from July 16, 2013. IDBI Bank Limited nominated Mr. Rakesh Awasthi as Nominee Director in Place of Mr. Ravi Kumar with effect from July 16, 2013. Subsequently,

Mr. Rakesh Awasthi was co-opted as member of Audit Committee, and the Audit Committee comprises of following Independent and Non-Executive Directors viz. Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana and Mr. Rakesh Awasthi. Chairman is elected by the Members present at the meeting. All the members of Audit Committee are financially literate within the meaning of Clause 49 of the Listing Agreement.

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 Audit Committee :

During the Financial Year 2013-14, Four meetings of Audit Committee were held on May 30, 2013, August 14, 2013, November 14, 2013 and February 14, 2014.

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

Name of the Member	Meetings attended
Mr. Brij Kishore Soni	4 out of 4
Mr. Ravi Kumar (Upto July 16, 2013)	1 out of 1
Mr. Rakesh Awasthi (July 16, 2013 onwards)	2 out of 3
Dr. Suresh Inderchand Surana	3 out of 4

c) Power and Role of Audit Committee :

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, 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) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

(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 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 sub-section (2AA) of section 217 of the Companies Act, 1956.

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. Qualifications 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, performance of statutory and internal auditors, adequacy of the internal control systems.

(g) 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.

(h) Discussion with internal auditors, any significant findings and follow up there on.

(i) 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.

(j) 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.

(k) 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.

(l) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

(m) 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.

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

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

d) Review of information by 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 is subject to review by the Audit Committee;

vi. Financial Statements and in particular the investments made by the unlisted subsidiaries of the Company; and

vii. Significant Related Party Transactions on quarterly basis.

5. Remuneration Committee and Remuneration to Directors

a) Composition:

The Remuneration Committee comprised of three Independent and one Promoter Director, all of whom are Non-Executive Directors i.e. Mr. Sanjiv Saraf, Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni and Mr. Ravi Kumar (Upto July 16, 2013).

The remuneration committee has been constituted to recommend to the Board the remuneration for the Whole Time/ Executive Director(s) of the Company.

During the Financial Year 2013-14, One meeting of the Remuneration Committee was held on May 30, 2013 and was attended by all the members of the Remuneration Committee.

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

i. Executive Director

Mr. Pranay Kothari :

Mr. Pranay Kothari was re-appointed as Whole-Time Director designated as Executive Director of the Company for a period of three years w.e.f. September 7, 2012. Pending receipt of approval of

Central Government, following remuneration has been paid/provided to Mr. Pranay Kothari, Executive Director for the year 2013-14:

Salary and Allowances	Rs. 1,06,00,000
Perquisites	Rs. 16,24,267
Total	Rs. 1,22,24,267

Subsequent to end of Financial Year 2013-14, Company has received approval of Central Government to payment of remuneration upto Rs.1,56,90,000/- for the Financial Year 2013-14.

Tenure of appointment of Mr. Pranay Kothari is for three years expiring on September 6, 2015. 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

Remuneration by way of Sitting Fees for attending meetings of the Board or any Committee(s) thereof are paid to Non-Executive directors. The details of payment of Sitting Fee to Non-Executive Directors during the year 2013-14 are given below:

Name of Non-Executive Director	Sitting Fee (Rs.)
Mr. Sanjiv Saraf	1,80,000
Mr. Brij Kishore Soni	3,20,000
Mr. Ravi Kumar* (Upto July 16, 2013)	80,000
Mr. Rakesh Awasthi* (July 16, 2013 onwards)	1,00,000
Mr. Sanjiv Chadha	60,000
Dr. Suresh Inderchand Surana**	1,20,000
Mr. Jitender Balakrishnan	1,00,000

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

* Sitting fee paid to nominating institution i.e. IDBI Bank Limited

** Amount aggregating to Rs.22,50,962/- was paid to firms in which Mr. Suresh Inderchand Surana is a partner towards professional fee, including service tax and reimbursement of expenses. Apart from above, Polyplex (Asia) Pte. Ltd., (PAPL) has paid U.S. Dollars 25,000 to a firm in which Mr. Suresh Inderchand Surana is a partner towards Professional Fee.

In addition to payment of Sitting Fee, Board of Directors have approved the payment of Commission of Rs. 24 Lacs for the Financial Year 2013-14 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 25, 2010.

Mr. Sanjiv Saraf continued to be employed as General Manager and Chief Executive Officer with Polyplex (Asia) Pte. Ltd. (PAPL) during the Financial Year 2013-14 and has received a remuneration of US Dollars 61,806 (Rs. 37.34 Lacs), from PAPL.

The Company has so far not issued any Stock options to any of the Directors.

6. Shareholders'/ Investors' Grievance Committee

a) Composition:

The Board had constituted Shareholders' / Investors' Grievance Committee consisting of Mr. Pranay Kothari, Executive Director and Mr. Brij Kishore Soni, Non-Executive Director. Mr. Brij Kishore Soni is the Chairman of the Committee. This Committee generally meets periodically.

The Committee, inter alia, looks into the Shareholders'/ Investors' Grievances. Mr. Ashok Kumar Gurnani, Company Secretary is the Compliance Officer.

b) Meetings of Shareholders'/Investors' Grievance Committee :

During the Financial Year 2013-14, Three such meetings were held on May 30, 2013, June 20, 2013 and September 5, 2013. 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 is as follows:

Opening	:	Nil	Received	:	4
Resolved	:	4	Pending	:	Nil

As on March 31, 2014, no request for registration of transfer of shares/ dematerialization was pending.

7. Subsidiary Monitoring Framework :

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Company reviews and monitors the performances of its subsidiaries by way of:

a) Approving, in principle, their capital expenditure, business expansion plans;

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

c) Reviewing all significant/material transactions and arrangements;

d) Minutes/significant resolutions are placed before the Company's Board.

8. General Body 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
28th	2012-13	30.09.2013	Registered Office at Khatima	11.00 a.m.
27th	2011-12*	28.09.2012	Registered Office at Khatima	10.00 a.m.
26th	2010-11	28.09.2011	Registered Office at Khatima	10.00 a.m.

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

During the Financial Year 2013-14, No Extra Ordinary General Meeting was held or Postal Ballot was conducted.

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Financial Year/Date	Subject
2012-13/ 30.09.2013	1. Consent to payment of Remuneration to Mr. Ranjit Singh, Whole time Director designated as Chief Operating Officer for the period April 1, 2012 to October 31, 2012.
	2. Consent for waiver of recovery of excess remuneration paid to Mr. Pranay Kothari, Whole-time Director designated as Executive Director for the period April 1, 2012 to March 31, 2013.
	3. Consent to payment of remuneration to Mr. Pranay Kothari, Whole-time Director designated as Executive Director for the remaining tenure of his appointment i.e. from April 1, 2013 to September 6, 2015.
2011-12/ 28.09.2012	Nil
2010-11/ 28.09.2011	Nil

(iii) Special Resolution in respect of following matters are proposed to be passed at the ensuing Annual General Meeting, by e-voting/ postal ballot.

a) Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 authorising Board of Directors to borrow money(ies) upto Rs. 1500 Crores.

b) Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 authorising Board of Directors to create charge on the properties of Company.

9. Disclosures :

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

(b) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock

Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

(c) The Company has not yet formulated Whistle Blower policy. No employee of the Company has been denied access to the Audit Committee to make any representation.

(d) Company has complied with the mandatory requirements of Clause 49 and as regards non-mandatory requirements these would be adopted in due course of time.

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

(f) This Annual Report has a detailed section on Management Discussion and Analysis.

(g) As required by Clause 49 IV(G)(i) particulars of directors seeking appointment/ re-appointment are given in the Notice of the Annual General Meeting to be held on September 29, 2014.

10. CEO / CFO Certification

As required by the Clause 49 (V) of the Listing Agreement, the Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 30, 2014.

11. 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 'Financial Express' and 'Uttar Ujala Nainital' within the prescribed time limit.

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

Declaration by the CEO under Clause 49 I (D) of the Listing Agreement 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 2013-14.

Place : NOIDA **Pranay Kothari**
Date : August 13, 2014 Executive Director

GENERAL SHAREHOLDERS INFORMATION

1.	**Annual General Meeting Date & Time :**	September 29, 2014 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima-262 308 Distt. Udham Singh Nagar, Uttarakhand
2.	**Financial Year :**	April 1, 2013 to March 31, 2014
3.	**Book Closure Date :**	September 20, 2014 to September 29, 2014 (both days inclusive)
4.	**Dividend Payment Date :**	Within 15 days from declaration by the shareholders in the Annual General Meeting.

5. **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 2013-14 and 2014-15 has been paid to above Stock Exchanges.

6. **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**

7. **Stock Market Data :**

Share prices on BSE and the NSE during 2013-14 were as follows:

Months	BSE			NSE		
	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)
April 2013	173.90	155.00	27,765	173.90	154.20	1,36,124
May 2013	166.00	150.00	59,652	167.85	149.75	1,66,024
June 2013	151.00	126.75	94,156	153.50	128.00	2,25,135
July 2013	146.95	121.00	65,367	145.65	121.05	2,26,065
August 2013	130.00	109.00	1,07,806	127.00	109.00	1,51,087
September 2013	127.00	**107.00**	87,631	127.80	**107.05**	1,66,781
October 2013	141.00	124.00	47,369	140.50	124.00	1,31,953
November 2013	166.00	135.00	1,31,067	165.55	134.75	3,12,419
December 2013	**174.00**	150.00	72,648	**174.00**	148.65	1,60,165
January 2014	166.40	138.00	85,995	166.20	136.00	1,56,010
February 2014	145.00	125.00	52,253	144.30	125.00	3,26,247
March 2014	159.00	129.00	63,741	158.65	129.00	2,13,860
Total			**8,95,450**			**23,71,870**

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

8. **Registrars and Share Transfer Agents**:

MCS Ltd.,
F–65, Okhla Industrial Area,
Phase I, New Delhi 110020
Phone : (011) 41406149, Fax: (011) 41709881
E-mail : admin@mcsdel.com

9. **Share Transfer System:**

All complete and valid requests for transfer of shares are approved by Share Transfer Committee of Senior Executives and given effect to within the time stipulated in the Listing Agreement.

10. **Distribution of shareholdings as on 31.03.2014** :

Share holding in Number of Shares	Number of Shareholders	% of total Shareholders	Nominal Amount (in Rs.)	% of Total Nominal Amount
1 to 500	13,518	88.72	1,72,78,740	5.40
501 to 1000	896	5.88	70,06,820	2.19
1001 to 2000	433	2.84	68,04,220	2.13
2001 to 3000	112	0.73	28,51,510	0.89
3001 to 4000	74	0.49	26,94,840	0.84
4001 to 5000	38	0.25	17,59,320	0.55
5001 to 10000	79	0.52	58,17,660	1.82
10001 & above	87	0.57	27,56,32,890	86.18
Total	15,237	100.00	31,98,46,000	100.00

11. Categories of shareholders as on 31.03.2014

	Category	Shares held (Nos.)	Percentage of shareholding
1.	**Promoters**		
a)	Indian Promoters	18,02,262	5.63
b)	Foreign Promoters	1,32,08,272	41.30
	Sub Total	**15,010,534**	**46.93**
2	**Non- Promoters**		
a)	Mutual Funds and UTI	27,01,547	8.45
b)	Banks, Financial Institutions, and Insurance Companies	7,500	0.02
c)	Foreign Institutional Investors (FIIs)	2,65,015	0.83
d)	Bodies Corporates	52,99,902	16.57
e)	NRIs/OCBs	33,60,716	10.51
f)	Indian Public	53,39,386	16.69
	Sub-Total	**1,69,74,066**	**53.07**
	Grand Total	**3,19,84,600**	**100.00**

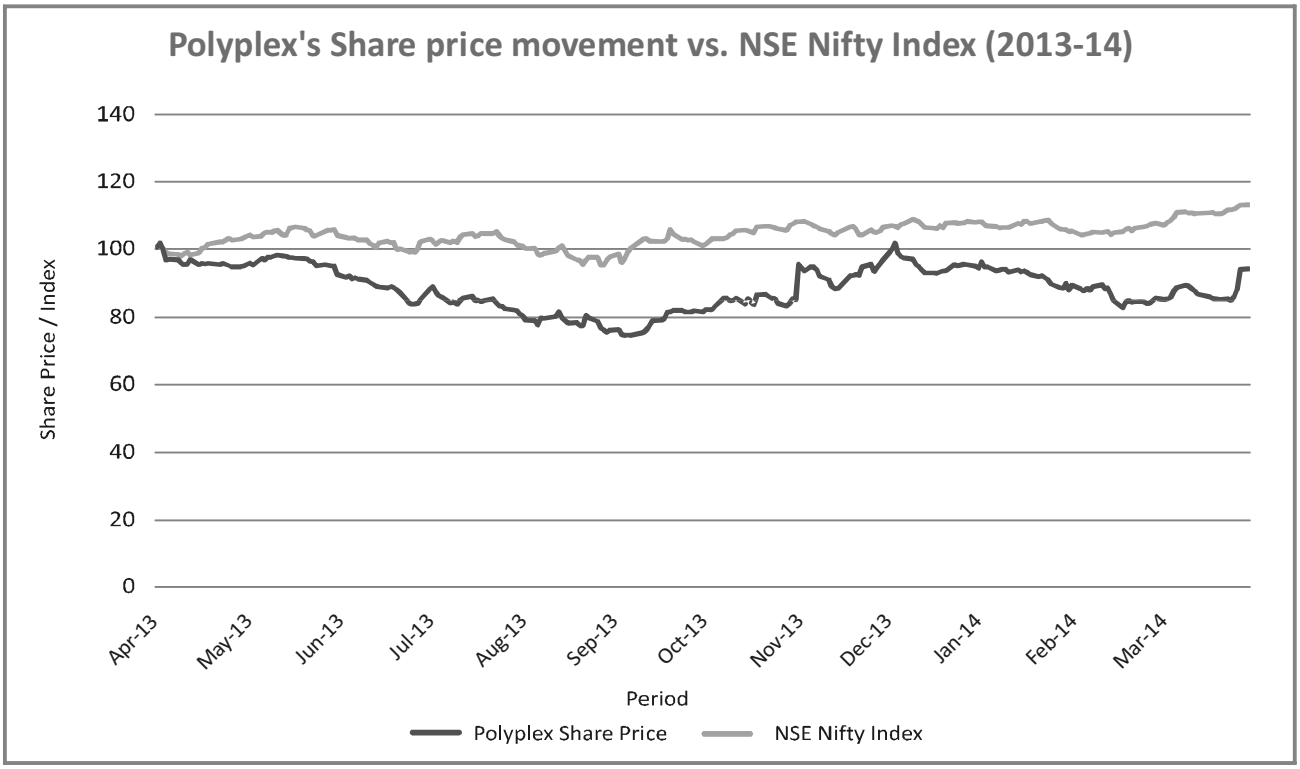
Note:

i) Total Foreign shareholding as at March 31, 2014 was 1,68,34,003 shares constituting 52.63%.

ii) 2(d) Bodies Corporates above include 62,200 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account pursuant to Clause 5A(ii) of the Listing Agreement.

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

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



13. **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, 2014

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,93,83,031	91.87	9,072
Central Depository Services (India) Limited	20,19,897	6.31	4,378
Total Dematerialised	***3,14,02,928***	***98.18***	***13,450***
Physical	5,81,672	1.82	1,787
Grand Total	**3,19,84,600**	**100.00**	**15,237**

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

14. As required by Clause 5A(ii) of the Listing Agreement 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 Clause. Details of sharesholders/ 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 time of opening of account.	359	62,200
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	–	–
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	–	–
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	359	62,200

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

15. **Plant Locations**

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

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

and

Plot No.227 MI 228 MI,
Banna Khera Road,
Village Vikrampur - 262401,
Tehsil Bajpur,
Distt. Udham Singh Nagar,
Uttarakhand

16. Investor Correspondence:

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

Shares Department
Polyplex Corporation Limited
Lohia Head Road,
Khatima 262 308,
Distt. Udham Singh Nagar,
Uttarakhand

Phone: (05943) 250136
Fax : (05943) 250281
Email: investorrelations@polyplex.com

or

Shares Department,
Polyplex Corporation Limited
B-37, Sector –1,
NOIDA 201 301,
Gautam Budh Nagar,
Uttar Pradesh

Phone: (0120) 2443716 to 19
Fax : (0120) 2443724

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Polyplex Corporation Limited, for the Financial Year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company, with the Stock Exchanges.

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

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company.

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 Regn. No. 301051E)

N.K. LODHA
Partner
M.No. 85155

Place : New Delhi
Date : August 13, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POLYPLEX CORPORATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of **Polyplex Corporation Limited**, which comprise the Balance Sheet as at 31st March 2014, and Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these Financial Statements that give a true and the 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 accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956("the Act"), read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

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

OPINION

In our opinion and best to our information and according to the explanations given to us, the Financial Statements and read together with the other notes thereon give the information required by Act in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

a. In the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2014,

b. In case of the statement of the Profit and Loss, of the Profit for the year ended on that date, and

c. In case of the cash flow statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND THE REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the, manners specified in the paragraphs 4 and 5 of the order.

2. As required by section 227(3) of the Act, we report that:

    a. We have 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 appears from our examination of those books;

    c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of accounts;

    d. In our opinion, Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;

    e. On the basis of the written representations received from the Directors and taken on

records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No. 301051E)

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2014

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT FOR THE YEAR ENDED 31.03.2014 :

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

(b) We have been informed by the management that fixed Assets have been physically verified by the management during the year according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. According to the information and explanations given to us, discrepancies noticed on such physical verification were not material.

(c) As per the records and information and explanations given to us, no substantial part of Fixed Assets has been disposed off during the year and therefore does not affect the going concern assumption.

2. (a) We have been explained by the management that the Inventory of the Company at all its locations (except stocks lying with third parties/in transit, which have been verified after subsequent receipt of material/on confirmation) have been physically verified by the Management at reasonable intervals.

(b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) As informed to us, the Company has granted unsecured loan to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year in respect of said company/person is Rs.2600 Lacs and the year end balance of such loan is Rs.2500 Lacs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions on which aforesaid loan has been given are not, *prima facie*, prejudicial to the interest of the company.

(c) In respect of aforesaid loan, the receipt of principal amount and interest is regular.

(d) The recovery of principal amount and interest during the year is as per stipulation.

(e) As informed to us, the company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (f) and (g) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of specialised nature, taking into consideration the quality, usage and such other factors, comparative sources/quotations are not available, the Company has internal control systems commensurate with the size of the Company and nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given to us and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been informed of any continuing failure to correct major weaknesses in internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contract or arrangement that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us,

the transactions made in pursuance of such contracts or arrangements entered into the register maintained under section 301 of the Act and exceeding the value of rupees five Lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Act, in respect of Polyester Chips. On the basis of the records produced and broadly reviewed by us, we are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we are not required to and have not carried out any detailed examination of the said records, with a view to determine whether they are accurate or complete.

9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have generally been deposited in time during the year with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2014.

   (b) In our opinion and according to the information & explanations given to us, there are no dues in respect of income tax, wealth tax, service tax and cess that have not been deposited with appropriate authority on account of any dispute and the dues in respect of sales tax, customs duty and excise duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

Name of the Statute	Nature of dues	Period to which the Amount Relates	Amount (Rs. in Lacs)	Forum where disputes are pending
U.P. Tax on Entry of Goods Act	Entry Tax	2001-02	0.61	Tribunal
Sales Tax Act	Sales Tax	1996-97	18.40	High Court
		1997-98	28.55	Deputy Commissioner (Appeals)
		1998-99	29.05	Deputy Commissioner (Appeals)
		2008-09	1.28	Tribunal
		2010-11	7.00	Joint Commissioner
Central Excise Act, 1944	Excise Duty and Penalty	2009-10	19.91	Additional Commissioner

10. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

11. 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 any dues to financial institutions or banks or debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the clause 4 (xiii) of The Order is not applicable to the Company.

14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

16. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

17. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment.

18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures.

20. The Company has not raised any money through a public issue during the year.

21. Based upon the audit procedures performed in accordance with accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed nor reported, during the year nor we have been informed of such case by the management.

For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No. 301051E)

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2014

BALANCE SHEET AS AT MARCH 31, 2014

		NOTE	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
I	**EQUITY AND LIABILITIES**			
	Shareholder's Funds			
	Share Capital	2	3,256.32	3,256.32
	Reserves and Surplus	3	36,806.79	34,294.48
	Non Current Liabilities			
	Long Term Borrowings	4	26,754.80	23,016.42
	Deferred Tax Liability (Net)	5	425.67	1,288.84
	Long Term Provisions	6	96.27	70.78
	Current Liabilities			
	Short Term Borrowings	7	7,338.01	9,393.15
	Trade Payables		771.88	943.89
	Other Current Liabilities	8	10,768.93	10,682.22
	Short Term Provisions	9	756.32	972.53
		TOTAL	86,974.99	83,918.63
II	**ASSETS**			
	Non Current Assets			
	Fixed Assets			
	Tangible Assets	10	49,306.35	51,966.33
	Intangible Assets	10	12.12	22.07
	Capital Work-in-Progress		3,027.50	1,014.74
	Non Current Investments	11	1,953.93	1,953.93
	Long Term Loans and Advances	12	1,717.56	1,203.64
	Current Assets			
	Current Investments	13	520.00	—
	Inventories	14	12,454.00	11,439.32
	Trade Receivables	15	10,775.81	8,383.35
	Cash & Bank Balances	16	517.45	1,051.08
	Short Term Loans and Advances	17	6,498.34	6,632.51
	Other Current Assets	18	191.93	251.66
		TOTAL	86,974.99	83,918.63
	Significant Accounting Policies and other explanatory notes are Integral part of Financial Statements	1, 26		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

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

		NOTE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I	**Revenue from Operations**	19	**111,863.61**	94,810.11
II	**Other Income**	20	**2,282.59**	4,863.46
III	**Total Revenue (I + II)**		**114,146.20**	99,673.57
IV	**Expenses**			
	Cost of Material Consumed	21	**83,776.17**	70,481.24
	Purchases of Stock-in-trade		—	2.52
	Changes in Inventory	22	**(657.19)**	(230.65)
	Employee Benefit Expense	23	**4,107.44**	4,290.81
	Finance Costs	24	**2,019.33**	2,170.68
	Depreciation & Amortisation		**7,321.72**	7,785.41
	Other Expenses	25	**15,216.79**	14,801.70
	Total Expenses		**111,784.26**	99,301.71
V	**Profit Before Exceptional Items and Tax (III – IV)**		**2,361.94**	371.86
VI	**Exceptional Items (Gain) / Loss**		—	(116.13)
VII	**Profit Before Tax (V – VI)**		**2,361.94**	487.99
VIII	**Tax Expense**			
	Current Tax - MAT (Refer Note No: 26V(i))		**459.47**	58.73
	MAT Credit Entitlement		**(495.08)**	(98.05)
	Deferred Tax		**(863.17)**	8.45
	Prior Period Adjustment - Tax		—	7.37
		TOTAL	**(898.78)**	(23.50)
IX	**Profit for the Period (VII – VIII)**		**3,260.72**	511.49
X	**Earning Per Share**			
	– Basic (in Rs.)		**10.19**	1.60
	– Diluted (in Rs.)		**10.19**	1.60
	Significant Accounting Policies and other explanatory notes are integral part of Financial Statements	1,26		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 (Rs. in Lacs)		2012-13 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**2,361.94**		487.99
Adjustments For :				
Depreciation	**7,321.72**		7,785.41	
Provision for Doubtful Debts / Bad Debts Written Off	**25.17**		51.24	
Interest	**2,019.33**		2,170.68	
Unrealised Foreign Exchange (Gain) / Loss	**493.99**		78.80	
Excess Provision / Sundry Balances Written Back (Net)	**(55.16)**		(48.58)	
Loss / (Profit) on Sale of Fixed Assets (Net)	**2.44**		18.40	
Asset Written Off	**7.43**		14.62	
Profit on Sale of Investments	**(13.20)**		(26.45)	
Interest Received	**(482.09)**		(340.57)	
Dividend Received	**(1,476.31)**	**7,843.32**	(4,239.58)	5,463.97
Operating Profit Before Working Capital Changes		**10,205.26**		5,951.96
Adjustments For :				
Trade and Other Receivables	**(2,461.84)**		(5,079.04)	
Inventories	**(1,014.68)**		28.44	
Trade Payables	**(361.04)**	**(3,837.56)**	(3,237.60)	(8,288.20)
Cash Generated From Operations		**6,367.70**		(2,336.24)
Taxes Paid		**(478.48)**		(64.81)
Cash Flow Before Exceptional Items		**5,889.22**		(2,401.05)
Exceptional Items		—		(116.13)
Net Cash From Operating Activities		**5,889.22**		(2,517.18)
B. CASH FLOW FROM INVESTING ACTIVITIES.				
Purchase of Fixed Assets (Including Capital Advances)	**(4,161.35)**		(2,631.10)	
Sale of Fixed Assets	**13.02**		20.93	
Inter Corporate Deposits	**100.00**		(1,600.00)	
Purchase of Short Term Investments	**(39,801.00)**		(33,820.01)	
Sale/ Redemption of Long Term Investments	**-**		160.67	
Sale of Short Term Investments	**39,294.20**		35,726.46	
Interest / Dividend Received	**1,951.42**		4,561.78	
Net Cash Used in Investing Activities		**(2,603.71)**		2,418.73

	2013-14 (Rs. in Lacs)		2012-13 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds From Long Term Borrowings	**1,169.10**		(3,595.45)	
Net Proceeds From Short Term Borrowings	**(1,995.02)**		2,903.47	
Interest Paid	**(2,044.24)**		(2,251.47)	
Dividends Paid	**(948.98)**		(1,275.95)	
Tax on Distributed Profits	—		(207.55)	
Subsidy From Central Government	—		—	
Net Cash used In Financing Activities		**(3,819.14)**		(4,426.95)
Net Increase in Cash and Cash Equivalents		**(533.63)**		(4,525.40)
Cash and Cash Equivalents at the beginning of the year	**880.51**		5,409.34	
Other Bank Balances at the beginning of the year	**170.57**		167.14	
Total Cash and Bank Balances at the beginning of the year		**1,051.08**		5,576.48
Cash and Cash Equivalents at the end of the year	**399.12**		880.51	
Other Bank Balances at the end of the year	**118.33**		170.57	
Total Cash And Bank Balances at the end of the year		**517.45**		1,051.08

NOTE : Previous Year figures are regrouped wherever necessary.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The Company follows the mercantile system of accounting and recognises Income and Expenditure on accrual basis. Insurance / Other Claims are recognised only when it is reasonably certain that the ultimate collection will be made. The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards and generally accepted accounting principles.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) Depreciation / Amortisation

Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) at the rates prescribed in Schedule XIV to the Companies Act, 1956. Leasehold land is amortised over the period of lease. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant (at Bazpur) 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.

(h) 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.

Investment in equity shares of foreign subsidiary companies are stated at the exchange rate at 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.

(i) 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	:	Weighted average cost.
(ii)	Stock in Process and Finished Goods	:	At raw material cost, labour and related overheads.

Finished goods are including administrative overheads and depreciation.

(j) Retirement Benefits

Company's contribution to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Leave encashment benefit is provided on actuarial valuation basis. Gratuity is accrued on actuarial valuation basis and funded through a trust for which a policy with Life Insurance Corporation of India has been taken.

(k) 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.

(l) 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.

(m) 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 Profit and Loss Statement.

(n) 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.

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.

(o) 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

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
AUTHORISED		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of Rs.10 each	**3,400.00**	3,400.00
ISSUED AND SUBSCRIBED		
3,31,80,300 (Previous Year - 3,31,80,300) Equity Shares of Rs.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 Rs.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

	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	**31,984,600**	31,984,600
Additions during the year	**—**	—
Shares outstanding as at the end of the year	**31,984,600**	31,984,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

	As at March 31, 2014 No. of Shares	As at March 31, 2013 No. of Shares
Mahalaxmi Trading & Investment Co. Ltd.	**7,622,390**	7,622,390
Secure Investments Ltd.	**5,535,744**	5,535,744
IL & FS Trust Company Ltd.	**3,676,809**	2,701,887
ICICI Prudential (Tax Plan + Child Care Plan)	**1,876,419**	2,033,677

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

2013–14	2012–13	2011–12	2010–11	2009–10
—	—	—	15,992,300	—

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of Rs. 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.

NOTE 3

RESERVES & SURPLUS

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
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		**4,959.20**	4,907.20
Transferred from Statement of Profit & Loss		**327.00**	52.00
	Sub Total (c)	**5,286.20**	4,959.20
SURPLUS IN STATEMENT OF PROFIT & LOSS			
Balance Brought Forward		**26,621.28**	27,121.33
Add: Profit as per Statement of Profit & Loss		**3,260.72**	511.49
Less: Transferred to General Reserve		**327.00**	52.00
Proposed Dividend		**639.69**	959.54
Corporate Dividend Tax - Proposed Dividend		**108.72**	—
Net Surplus as per Profit & Loss Statement	**Sub Total (d)**	**28,806.59**	26,621.28
	TOTAL (a+b+c+d)	**36,806.79**	34,294.48

NOTE 4

LONG TERM BORROWINGS

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
SECURED TERM LOANS FROM BANKS			
Rupee Term Loan		**5,875.00**	3,775.00
Foreign Currency Term Loan		**28,010.23**	26,580.54
	Sub Total (a)	**33,885.23**	30,355.54
LESS: CURRENT PORTION			
Rupee Term Loan		**812.50**	2,900.00
Foreign Currency Term Loan		**6,317.93**	4,439.12
	Sub Total (b)	**7,130.43**	7,339.12
	TOTAL (a–b)	**26,754.80**	23,016.42

Loans are secured as under:

The Foreign Currency Term Loan of Rs. 28,010.23 Lacs (Previous Year – Rs. 26,580.54 Lacs) and Rupee Term Loan of Rs. 5,875.00 Lacs (Previous Year – Rs. 1,375.00 Lacs) are secured on a *pari passu* basis by an equitable mortgage in respect of Company's immovable properties at Khatima and Bajpur, both present and future.

The Rupee Term Loan includes Rs. Nil (Previous Year – Rs. 2,400 Lacs) availed from IDBI Bank Limited, secured by exclusive charge by way of equitable mortgage of land and building at Noida.

Loans are repayable as under:

Loan Amount (Rs. in Lacs)	No. of Equal Installments	Frequency	Period	
			From	To
875.00	7	Quarterly	2014-15	2015-16
2,512.86	2	Annual (Tranche Wise)	2014-15	2015-16
2,762.65	6	Semi Annual	2014-15	2016-17
12,477.34	9	Semi Annual	2014-15	2018-19
5,388.49	17	Quarterly	2014-15	2018-19
4,868.89	16 @	Quarterly	2014-15 #	2018-19
5,000.00	16	Quarterly	2014-15 #	2018-19

@ In FY 2014-15 & 2015-16 : Rs. 1 Lacs Quaterly, FY 2016-17: Rs. 3.25 Lacs Quaterly, FY 2017-18: Rs. 4.25 Lacs Quaterly, FY 2018-19: Rs. 5.00 Lacs in Quarter 1 & Quarter 2 and Balance Rs. 3.69 Lacs in Quarter 3.

Repayment starting from Quarter 4' 2014-15

NOTE 5

DEFERRED TAX LIABILITY (Net)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
DEFERRED TAX ASSET		
Disallowance as per Income Tax Act	**(45.57)**	(28.73)
DEFERRED TAX LIABILITY		
Disallowance on account of Depreciation (Refer Note No: 26 V (ii))	**471.24**	1,317.57
TOTAL	**425.67**	1,288.84

NOTE 6

LONG TERM PROVISIONS

	Non-Current Amount		Current Amount	
	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)	**As at March 31, 2014 (Rs. in Lacs)**	As at March 31, 2013 (Rs. in Lacs)
Provision for Retirement Benefits	96.27	70.78	5.85	10.99
TOTAL	**96.27**	**70.78**	**5.85**	10.99

NOTE 7

SHORT TERM BORROWINGS

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
SECURED LOANS*			
Working Capital Demand Loans from Banks		**6,185.83**	6,678.44
Bank CC Account		**551.08**	561.32
Buyer's Credit		**—**	778.44
	Sub Total (a)	**6,736.91**	8,018.20
UNSECURED LOANS			
Working Capital Demand Loans from Banks		**601.10**	1,374.95
	Sub Total (b)	**601.10**	1,374.95
	TOTAL (a+b)	**7,338.01**	9,393.15

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to Rs. 6,736.91 Lacs (Previous Year – Rs. 8,018.20 Lacs) are secured / to be secured by way of hypothecation of inventories, book debts and other current assets both present and future, besides second charge on Company's immovable properties at Khatima and Bajpur.

NOTE 8

OTHER CURRENT LIABILITIES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Current Maturity of Long Term Debt	7,130.43	7,339.12
Interest accrued but not due on borrowings	149.57	174.48
Unpaid Dividend	115.73	105.17
Security Deposits	139.29	157.88
Statutory Liabilities	300.97	204.13
Advance from Customers (including related party) (Refer Note No: 26 S)	1,032.93	1,299.76
Creditors for Capital Expenditure	603.62	25.63
Other liabilities	1,296.39	1,376.05
TOTAL	**10,768.93**	10,682.22

NOTE 9

SHORT TERM PROVISIONS

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Provision for Wealth Tax	2.06	2.00
Provision for Retirement Benefits	5.85	10.99
Proposed Dividend	639.69	959.54
Corporate Dividend Tax	108.72	—
TOTAL	**756.32**	972.53

NOTE 10

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at April 01, 2013	Additions during the year	Sale/ adjust-ments	**As at March 31, 2014**	As at April 01, 2013	For the year	Sale/ adjust-ments	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
TANGIBLE ASSETS										
Freehold Land	1,664.40	—	—	**1,664.40**	—	—	—	—	**1,664.40**	**1,664.40**
Leasehold Land	472.59	20.74	—	**493.33**	89.26	12.90	—	**102.16**	**391.17**	**383.33**
Buildings	11,660.53	797.99	2.79	**12,455.73**	3,215.23	597.69	2.60	**3,810.32**	**8,645.41**	**8,445.30**
Plant & Machinery	70,745.64	3,709.42	162.54	**74,292.52**	31,216.81	6,382.83	144.10	**37,455.54**	**36,836.98**	**39,528.83**
Electrical Installations	2,039.01	24.52	28.03	**2,035.50**	875.58	156.89	27.31	**1,005.16**	**1,030.34**	**1,163.43**
Furniture & Fixtures	470.09	11.55	23.15	**458.49**	295.17	32.66	23.03	**304.80**	**153.69**	**174.92**
Office Equipments	1,015.25	79.39	40.71	**1,053.93**	543.82	106.40	37.61	**612.61**	**441.32**	**471.43**
Vehicles	245.58	31.08	2.43	**274.23**	110.89	22.41	2.11	**131.19**	**143.04**	**134.69**
TOTAL	**88,313.09**	**4,674.69**	**259.65**	**92,728.13**	**36,346.76**	**7,311.78**	**236.76**	**43,421.78**	**49,306.35**	**51,966.33**
Previous Year	*86,649.69*	*1,833.20*	*169.80*	*88,313.09*	*28,695.31*	*7,767.30*	*115.85*	*36,346.76*	*51,966.33*	—
INTANGIBLE ASSETS										
Computer Software	131.84	—	—	**131.84**	109.77	9.95	—	**119.72**	**12.12**	**22.07**
TOTAL	**131.84**	—	—	**131.84**	**109.77**	**9.95**	—	**119.72**	**12.12**	**22.07**
Previous Year	*131.84*	—	—	*131.84*	*91.66*	*18.11*	—	*109.77*	*22.07*	—
Grand Total - Current Year	**88,444.93**	**4,674.69**	**259.65**	**92,859.97**	**36,456.53**	**7,321.73**	**236.76**	**43,541.50**	**49,318.47**	**51,988.40**
Grand Total - Previous Year	*86,781.53*	*1,833.20*	*169.80*	*88,444.93*	*28,786.97*	*7,785.41*	*115.85*	*36,456.53*	*51,988.40*	—

Notes :

1. Freehold Land Costing Rs. 8.79 Lacs (Previous Year – Rs. 8.79 Lacs) is under Power of Attorney .
2. Addition to Plant & Machinery and Building includes Rs. 2,918.75 Lacs (Previous Year – Rs. 275.91 Lacs) on account of Foreign Exchange Fluctuation / Derivatives (Refer Note No. 26 J(iii)).
3. Addition to Plant & Machinery and Building includes Rs. 31.04 Lacs (Previous Year – Rs. Nil) on account of Interest on Loans.
4. Specialized software under Intangible assets is amortised over useful life i.e. over the period of 5 years.

NOTE 11

NON-CURRENT INVESTMENTS

(At Cost Less Provisions)
(Long term Investment – Other than Trade)

	Face Value	As at March 31, 2014 Nos.	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 Nos.	As at March 31, 2013 (Rs. in Lacs)
1. Unquoted - Equity / Ordinary Shares (Fully Paid up unless otherwise stated)					
1.1 Investment in Other Companies					
Bhilangana Hydro Power Limited	Rs. 10	**25,000**	**2.50**	25,000	2.50
	Sub Total (a)		**2.50**		2.50
1.2 Investment in Subsidiary Companies					
Polyplex (Asia) Pte Ltd *(common stock, no par value)*		**100,000**	**463.83**	100,000	463.83
	Sub Total (b)		**463.83**		463.83
2. Quoted - Equity / Ordinary Shares (Fully Paid up unless otherwise stated)					
2.1 Investment in Subsidiary Companies					
Polyplex (Thailand) Public Company Limited*	Baht 1	**132,000,000***	**1,487.60**	132,000,000	1,487.60
	Sub Total (c)		**1,487.60**		1,487.60
	TOTAL (a+b+c)		**1,953.93**		1,953.93
Note:					
Aggregate of Unquoted Investments	(At Cost less Provisions)		**466.33**		466.33
Aggregate of Quoted Investments	(At Book Value)		**1,487.60**		1,487.60
	(At Market Value)		**24,453.00**		31,109.88

* Includes Nil Ordinary Shares (Previous Year – 60 Ordinary Shares) beneficially owned by the Company but not registered in the name of the Company.

NOTE 12

LONG TERM LOANS AND ADVANCES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Capital advances to vendors	**195.24**	207.42
Security Deposits	**697.10**	666.08
MAT Credit Entitlement	**825.22**	330.14
TOTAL	**1,717.56**	1,203.64

NOTE 13

CURRENT INVESTMENTS

(at lower of cost or fair value)
(Other than Trade) (Quoted)

	As at March 31, 2014 No. of Units	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 No. of Units	As at March 31, 2013 (Rs. in Lacs)
MUTUAL FUNDS				
Pramerica Liquid Fund - Growth Option	38,018	**520.00**	—	—
TOTAL		**520.00**		—
Aggregate of Quoted Investments				
(At Book Value)		520.00		—
(At Market Value)		520.56		—

NOTE 14

INVENTORIES

(as valued and certified by the Management)
(at lower of cost and net realisable value)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Raw Materials (incl stock in transit of Rs. 771.01 Lacs, Previous Year – Rs. 989.80 Lacs)	6,063.61	5,998.83
Stock in Process	1,912.16	1,826.33
Finished Goods (incl stock in transit of Rs. 1,251.20 Lacs, Previous Year – Rs. 404.31 Lacs)	3,052.89	2,479.57
Stores & Spares	1,425.34	1,134.59
TOTAL	**12,454.00**	11,439.32

NOTE 15

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DUE DATE		
Considered Good	**44.08**	67.78
Considered Doubtful	**31.95**	6.78
Less: Provision for Doubtful Debts	**(31.95)**	(6.78)
OTHER DEBTS		
Considered Good	**10,731.73**	8,315.57
TOTAL	**10,775.81**	8,383.35

NOTE 16

CASH AND BANK BALANCES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
CASH AND CASH EQUIVALENTS		
Cash in hand	8.01	12.76
BANK BALANCE WITH SCHEDULED BANKS		
Current Accounts	339.11	815.75
Fixed Deposits with Origin Less Than Three Months	52.00	52.00
Sub Total (a)	399.12	880.51
EARMARKED BALANCES WITH BANKS		
Unpaid Dividend Accounts	115.73	105.17
Sub Total (b)	115.73	105.17
OTHER BANK BALANCES		
Fixed Deposits (Lien with Banks)	2.60	65.40
Sub Total (c)	2.60	65.40
TOTAL (a+b+c)	517.45	1,051.08

NOTE 17

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Loans and Advances to Related Party	525.25	25.25
Advances to Vendors and Others	1,083.00	1,302.18
Export Benefit Receivables	810.01	999.32
Prepaid Expenses	160.49	172.81
Intercorporate Deposits	2,500.00	2,600.00
Deposits with Government Authorities & Others	36.73	56.31
Advance Tax (Net of Provisions)	387.43	368.42
Balance with Customs & Excise	995.43	1,108.22
TOTAL	6,498.34	6,632.51

NOTE 18

OTHER CURRENT ASSETS

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Discarded Plant & Machinery Held for Sale	93.77	105.64
Other Receivables	98.16	146.02
TOTAL	191.93	251.66

NOTE 19

REVENUE FROM OPERATIONS

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SALES			
Plastic Film		**100,605.48**	91,758.59
Resins		**15,818.46**	6,870.36
Others		**1,039.37**	849.83
	Total	**117,463.31**	99,478.78
Less: Excise Duty		**(5,791.08)**	(4,992.86)
Net Sales		**111,672.23**	94,485.92
Other Operating Income			
Liabilities Written Back		**55.16**	48.58
Provision for Doubtful Debts Written Back		**—**	4.71
Insurance Claims Received		**136.22**	270.90
	TOTAL	**111,863.61**	94,810.11

NOTE 20

OTHER INCOME

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Rental Income		273.88	226.34
Profit on Sale of Current Investments		13.20	26.45
Dividend Income		1,476.31	4,239.58
Interest Income		482.09	340.57
Other Income / Claims		37.11	30.52
	TOTAL	**2,282.59**	4,863.46

NOTE 21

COST OF MATERIAL CONSUMED

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	**81,549.69**	67,723.58
Packing Material	**2,226.48**	2,757.66
TOTAL	**83,776.17**	70,481.24

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Particulars of Material Consumed		
Petrochemicals *(PTA, MEG, Polypropylene)*	**78,399.63**	64,802.00
Packing Material	**2,226.48**	2,757.66
Others Raw Material	**3,150.06**	2,921.58
TOTAL	**83,776.17**	70,481.24
Value & Percentage of Imported and Indigeneous Material consumed		
Imported (Value)	**592.82**	2,311.91
Imported (%)	**0.71%**	3.28%
Domestic (Value)	**83,183.35**	68,169.33
Domestic (%)	**99.29%**	96.72%
TOTAL (value)	**83,776.17**	70,481.24
TOTAL (%)	**100.00%**	100.00%

NOTE 22

CHANGES IN INVENTORY

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
OPENING STOCK		
Finished Goods	**2,479.57**	2,370.65
Stock in Process - Others / Rolls	**473.39**	431.92
Stock in Process - Chips	**1,352.94**	1,266.94
	4,305.90	4,069.51
CLOSING STOCK		
Finished Goods	**3,052.89**	2,479.57
Stock in Process - Others / Rolls	**1,130.36**	473.39
Stock in Process - Chips	**781.80**	1,352.94
	4,965.05	4,305.90
Add : Increase / (Decrease) in Excise Duty on Stocks	**1.96**	5.74
Net Changes in Inventory	**(657.19)**	(230.65)

NOTE 23

EMPLOYEE BENEFIT EXPENSES

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salaries, Wages, Bonus etc.		**3,526.09**	3,739.29
Contribution to Provident and Other Funds		**220.85**	221.83
Staff Welfare Expenses		**360.50**	329.69
	TOTAL	**4,107.44**	4,290.81

NOTE 24

FINANCE COSTS

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest Expense		**1,675.42**	1,723.49
Other Borrowing Cost		**343.91**	447.19
	TOTAL	**2,019.33**	2,170.68

NOTE 25

OTHER EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
MANUFACTURING EXPENSES		
Job Work Charges	**3.24**	7.02
Stores & Spares Consumed	**1,845.66**	1,416.95
Power & Fuel	**5,920.13**	6,203.32
REPAIRS AND MAINTENANCE		
Building	**89.13**	40.68
Plant & Machinery	**246.69**	182.68
Sub Total (a)	**8,104.85**	7,850.65
VALUE & PERCENTAGE OF IMPORTED AND INDIGENEOUS STORES & SPARES CONSUMED		
Imported (Value)	216.16	194.57
Imported (%)	11.71%	13.73%
Domestic (Value)	1,629.50	1,222.38
Domestic (%)	88.29%	86.27%
TOTAL (VALUE)	**1,845.66**	1,416.95
TOTAL (%)	**100.00%**	100.00%
ADMINISTRATIVE EXPENSES		
Rent	**144.19**	110.52
Insurance	**485.14**	434.42
Directors' Commission	**24.00**	6.00
Directors' Sitting Fee	**9.60**	12.00
Other Administrative Expenses	**2,231.38**	2,161.43
Sub Total (b)	**2,894.31**	2,724.37
SELLING EXPENSES		
Freight	**3,252.99**	3,633.71
Other Selling Expenses	**645.05**	377.71
Sub Total (c)	**3,898.04**	4,011.42
OTHER EXPENSES		
Assets Written Off	**7.43**	14.62
Loss on Sale of Fixed Assets (Net)	**2.44**	18.40
Donation	**75.98**	4.10
Foreign Exchange Fluctuation (Net)	**208.57**	126.90
Provision for Doubtful Debts	**25.17**	6.78
Bad Debts	**—**	44.46
Sub Total (d)	**319.59**	215.26
TOTAL (a+b+c+d)	**15,216.79**	14,801.70

NOTE : 26

OTHER EXPLANATORY NOTES

A. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of Rs. 195.24 Lacs (Previous Year – Rs. 207.42 Lacs) – Rs. 1,777.82 Lacs (Previous Year – Rs. 592.38 Lacs).

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

i. Disputed matters under litigation:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	**113.15**	179.03
Excise Duty & Customs Duty	**29.14**	29.14
Income Tax	**232.67**	73.54
Others	**32.84**	30.05

ii. Bills discounted with banks – Nil (Previous Year – Rs. 142.69 Lacs).

iii. Custom duty saved amounting to Rs. 1,513.89 Lacs (Previous Year – Rs. 2,469.66 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

iv. Guarantees given to the banks and others - Rs. 154.17 Lacs (Previous Year – Rs. 361.97 Lacs), including Rs. 2.00 Lacs (Previous Year – Rs. 2.00 Lacs) on behalf of other bodies corporate.

C. Export incentives amounting to Rs. 2,142.88 Lacs (Previous Year – Rs. 2,392.23 Lacs) are accounted for on accrual basis and have been credited to Raw Materials Consumption Account.

D. The revenue expenditure of Rs. 243.65 Lacs (Previous Year – Rs. 219.51 Lacs) and capital expenditure of Rs. 0.03 Lacs (Net) (Previous Year – Rs. 0.64 Lacs) on Research & Development are charged to the respective heads of account.

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

(Rs. in Lacs)

Sr.No	Particulars	2013-14	2012-13
(a)	(i) Principal amount remaining unpaid at the end of the accounting year.	—	—
	(ii) Interest due on above.	—	—
(b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date.	—	—
(c)	The amount of interest accrued and remaining unpaid at the end of financial year.	—	—
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act.	—	—
(e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	—	—

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

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

(Rs. in Lacs)

Particulars	As At March 31, 2014	As At March 31, 2013
Pre-operative Expenses brought forward	179.15	6.85
Raw Material Consumed	—	—
Power & Fuel	—	—
Salary & Wages	19.15	—
Insurance	3.81	4.57
Other Borrowing Cost	—	22.29
Interest on Term Loan	117.85	25.39
Foreign Exchange Fluctuation (Net) (Refer Note: 26 J (III))	363.68	79.36
Miscellaneous & Other Expenses	33.73	40.69
TOTAL	717.37	179.15
Less : Allocated and Capitalised during the year	117.65	
Balance Pending Allocation Transfer to Balance Sheet	599.72	179.15

G. Trade Receivables, Loans & Advances and Other Current Liabilities include following:

(Rs. in Lacs)

Particulars	Balance as at March 31, 2014	Maximum Outstanding Current Year	Balance as at March 31, 2013	Maximum Outstanding Previous Year
A. Subsidiaries / Step down subsidiaries				
Loans & Advances against reimbursement of expenses				
– Polyplex (Thailand) Public Company Ltd.	—	38.90	—	55.82
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	—	24.61	—	103.75
– Polyplex Resins Sanayi Ve Ticaret A.S.	—	22.29	—	8.20
– Polyplex (Asia) Pte. Ltd. (PAPL)	—	—	—	4.89
– Polyplex USA LLC	—	36.72	—	49.93
– Polyplex (Americas) Inc *	—	—	—	4.41
– EcoBlue Ltd.	—	1.69	—	3.04
– Peninsula Beverages and Foods Company Pvt. Ltd.	—	—	—	169.08
Receivable / (Payable) against sale / purchase of material				
– Polyplex (Thailand) Public Company Ltd.	(9.13)	264.39	104.24	428.25
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	189.75	646.72	155.87	462.01
– Polyplex USA LLC	964.24	1,986.46	(358.09)	746.97
– Polyplex Trading (Shenzhen) Co. Ltd. (PTSL)	1.54	1.54	—	—
– Polyplex (Americas) Inc *	—	—	—	493.39
– Polyplex Europa B V	342.81	390.61	—	—
B. Others				
– Interest free Loans to Employees	102.27	122.04	80.78	128.57

* *Merged with Polyplex USA LLC on January 31, 2013.*

H. (i) Disclosure pursuant to Clause 32 of Listing Agreement

(Rs. in Lacs)

Particulars	Balance as at March 31, 2014	Maximum Outstanding Current Year	Balance as at March 31, 2013	Maximum Outstanding Previous Year
Loans Given				
Subsidiaries / Step down subsidiaries				
Peninsula Beverages and Foods Company Pvt Ltd.	**500.00**	**500.00**	—	—

(ii) Advances recoverable in cash or in kind under Loans & Advances (Note 26 G) include Nil (Previous Year – Rs. 5 Lacs) due from the Officer / Director. Maximum amount due during the Year Rs. 5.29 Lacs (Previous Year – Rs. 7.17 Lacs).

I. Company has entered into operating lease agreement for a premise. Lease is non- cancellable for a period of six years and renewable thereafter on mutually agreed terms.

(Rs. in Lacs)

Particulars	2013-14	2012-13
Total lease payment during the year *(Recognized in Profit & Loss Statement)*	**19.14**	19.17
Minimum Lease Payments		
– Not later than one year	**3.35**	18.23
– Later than one year but not later than five year	**NIL**	3.19
– Later than five years	**NIL**	NIL

J. I. The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (Rs. in Lacs)	Amount (Fx)	Amount (Rs.in Lacs)
Loans - Long Term	USD	**2,60,20,184**	**15,640.68**	2,34,21,021	12,740.87
	EUR	**1,19,34,991**	**9,856.69**	1,45,87,210	10,137.79
	JPY	**42,00,00,000**	**2,512.86**	63,00,00,000	3,701.88
Loans - Short Term	USD	**36,44,432**	**2,190.66**	54,01,590	2,938.43
	EUR	—	—	4,36,219	303.41
Debtors	USD	**77,08,919**	**4,632.27**	55,76,494	3,032.16
	EUR	**13,54,669**	**1,118.50**	9,57,128	665.53
Sundry Creditors	USD	**1,45,755**	**87.61**	2,21,404	120.51
	EUR	**1,70,719**	**140.99**	60,581	42.14
	JPY	—	—	8,61,800	5.06
Other Liabilities	USD	**2,33,838**	**140.56**	1,98,293	107.06
	EUR	—	—	1,416	1.00

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 in (Fx)	Contract Sell/Buy	Currency	Amount in (Fx)
Forward Contracts	EURO/INR	**EURO**	**312,546**	USD/INR	USD	280,000
SWAP Deal	USD/JPY	**USD**	**4,000,000**	USD/JPY	USD	6,000,000

iii. The Company took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of Fixed Assets. During the year, Nil (Previous Year – loss (net) of Rs. 36.81 Lacs) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of Rs. 103.78 Lacs (Previous Year – gain (net) of Rs. 0.56 Lacs) on mark to market on outstanding derivatives as on March 31, 2014 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the Fixed Assets.

K. Payments to Auditors:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Audit Fee *	**14.62**	13.29
Tax Audit Fee *	**1.12**	1.12
Certification & Other Fees *	**9.10**	6.80
Out of Pocket Expenses	**1.38**	0.93
TOTAL	**26.22**	22.14

* Includes Service Tax

L. Expenditure in Foreign Currency:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Consultation Fees	**15.19**	67.87
Interest	**797.57**	822.53
Finance Charges	**261.10**	239.88
Brokerage & Commission	**253.36**	220.47
Others	**234.38**	133.11
TOTAL	**1,561.60**	1,483.86

M. Earnings in Foreign Currency:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
FOB Value of Exports (Including Deemed Exports Rs. 1,414.71 Lacs, Previous Year – Rs. 54.39 Lacs)	**25,553.50**	25,231.96
Dividend (Gross) from Subsidiary Companies	**1,476.31**	4,239.58
Sale of Investments	**—**	160.68
TOTAL	**27,029.81**	29,632.22

N. Dividend remitted in Foreign Currency:

Particulars	2013-14	2012-13
Final Dividend	w.r.t. F.Y. 2012-13	w.r.t. F.Y. 2011-12
Amount of Dividend (Rs. in Lacs)	**394.74**	526.33
Number of Non-resident Shareholders	**2**	2
Number of Shares held by these Non-residents	**13,158,134**	13,158,134

O. CIF Value of Imports:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Raw Material	**3,287.50**	3,374.75
Stores & Spares, Chemicals & Packing Material	**958.30**	450.17
Capital Goods	**585.42**	398.22
TOTAL	**4,831.23**	4,223.15

P. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit & Loss / Pre-operative Expenses pending allocation are as under:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	**172.41**	154.72
Employer's Contribution to Superannuation Fund	**53.34**	52.11

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.

(Rs. 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	351.26	322.51	81.77	69.76
	Current Service Cost	42.58	36.82	23.37	20.13
	Interest Cost	31.61	26.61	7.36	5.76
	Actuarial (Gain) / Loss	27.72	13.52	(2.00)	(0.91)
	Benefit Paid	(21.29)	(48.20)	(8.39)	(12.97)
	Defined Benefit Obligation at year end	431.88	351.26	102.12	81.77
b)	**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets :**				
	Fair Value of Plan Assets at beginning of the year	452.48	449.26	—	—
	Expected Return on Plan Assets	39.77	38.80	—	—
	Actuarial (Gain) / Loss	(1.20)	0.75	—	—
	Employer Contribution	—	11.87	—	—
	Benefit Paid	(21.29)	(48.20)	—	—
	Fair Value of Plan Assets at year end	469.76	452.48	—	—
c)	**Reconciliation of Fair Value of Assets and Obligations :**				
	Fair Value of Plan Assets as at year end	469.76	452.48	—	—
	Present Value of Obligation as at year end	431.88	351.26	102.12	81.77
	Net Assets / (Liability)	37.88	102.22	(102.12)	(81.77)
d)	**Expenses Recognized during the year :**				
	Current Service Cost	42.58	36.82	23.37	20.13
	Interest Cost	31.61	26.61	7.36	5.76
	Expected Return on Plan Assets	(39.77)	(38.80)	—	—
	Actuarial (Gain) / Loss	28.92	12.77	(2.00)	(0.91)
	Expense Recognised in Statement of Profit & Loss	63.34	37.40	28.73	24.98
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)	9.00%	8.25%	9.00%	8.25%
	Rate of Escalation in Salary (per annum)	7.00%	7.00%	7.00%	7.00%

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.

Q. Earnings Per Share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(Rs. in Lacs)	**3,260.72**	511.49
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	(Rs.)	**10.19**	1.60
Diluted EPS	(Rs.)	**10.19**	1.60

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

S. Related Party Disclosures (as identified by Management)

Disclosures as required by AS-18, "Related party Disclosures "are given below:

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. Polyplex Resins Sanayi Ve Ticaret A.S. (PR)

j. EcoBlue Ltd. (EL)

k. Peninsula Beverages & Foods Company Pvt. Ltd. (PBF)

l. Polyplex Europa B. V. (PEBV) w.e.f April 17, 2013

m. Polyplex Paketleme Çozumleri Sanayi Ve Ticaret A.S. (PPC) w.e.f September 11, 2013

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)

Relative of Key Management Personnel :

a. Ms. Ritu Kothari

Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence :

a. Beehive Systems Private Limited

b. Manupatra Information Solutions Private Limited

c. Manupatra Publishing Private Limited

d. Altivolus Infotech Private Limited

e. Dalhousie Villa Private Limited

f. Bhilangana Hydro Power Limited

g. Kotla Hydro Power Private Limited

h. Punjab Hydro Power Private Limited

i. Abohar Power Generation Private Limited

j. Kanchanjunga Power Company Private Limited

iii. Nature of Transactions with Related Parties

(Rs. in Lacs)

S. No.	Particulars	Subsidiaries of the Company	Key Management Personnel	Relative of KMP	Enterprises over which significant Influence exists	Total
1	Purchase of Material / Services	**276.54** *(642.79)*	— *(–)*	**28.35** *(27.00)*	**8.16** *(6.10)*	**313.05** *(675.89)*
2	Services Rendered	**24.62** *(–)*	— *(–)*	— *(–)*	**105.02** *(61.50)*	**129.64** *(61.50)*
3	Sale of Material	**6,976.61** *(9,060.47)*	— *(–)*	— *(–)*	— *(–)*	**6,976.61** *(9,060.47)*
4	Managerial Remuneration	— *(–)*	**122.24** *(289.57)*	— *(–)*	— *(–)*	**122.24** *(289.57)*
5	Commission to Director	— *(–)*	**24.00** *(6.00)*	— *(–)*	— *(–)*	**24.00** *(6.00)*
6	Directors' Sitting Fees	— *(–)*	**1.80** *(2.20)*	— *(–)*	— *(–)*	**1.80** *(2.20)*
7	Expenses Recovered	**224.40** *(463.27)*	— *(–)*	— *(–)*	**102.35** *(224.15)*	**326.75** *(687.42)*
8	Loan given during the Year	**500.00** *(–)*	— *(–)*	— *(–)*	— *(–)*	**500.00** *(–)*
9	Dividend Received	**1,476.31** *(4,239.59)*	— *(–)*	— *(–)*	— *(–)*	**1,476.31** *(4,239.59)*
10	Interest Received	**12.32** *(–)*	— *(–)*	— *(–)*	— *(–)*	**12.32** *(–)*
	Outstanding at year end					
11	Receivables on account of sale of Goods / Services	**1,498.34** *(260.11)*	— *(–)*	**20.25** *(20.25)*	**5.00** *(–)*	**1,523.59** *(280.36)*
12	Receivables on account of expenses recovered	— *(–)*	— *(–)*	— *(–)*	**4.53** *(–)*	**4.53** *(–)*
13	Loan	**500.00** *(–)*	— *(–)*	— *(–)*	— *(–)*	**500.00** *(–)*
14	Payables	**9.13** *(358.09)*	**96.40** *(6.00)*	— *(–)*	— *(–)*	**105.53** *(364.09)*
15	Investment in Equity / Preference Shares	**1,951.43** *(1,951.43)*	— *(–)*	— *(–)*	**2.50** *(2.50)*	**1,953.93** *(1,953.93)*

Notes: Figures in bracket ( ) indicate Previous Year Figures.

iv. Disclosure of Material Transactions with Related Parties:

(Rs. in Lacs)

Particulars	Subsidiaries of the Company	Relative of KMP	Enterprises over which significant Influence exists
1 Purchase of Material / Services			
– Polyplex (Thailand) Public Co. Ltd.	**274.62** *(642.79)*	— (–)	— (–)
– Dalhousie Villa Pvt. Ltd.	— (–)	— (–)	**7.32** *(6.10)*
2 Services Rendered			
– Beehive Systems Private Limited	— (–)	— (–)	**36.00** *(36.00)*
– Peninsula Beverages and Foods Company Pvt. Ltd. *	**24.62** (–)	— (–)	— (–)
– Manupatra Information Solutions Pvt. Ltd.	— (–)	— (–)	**20.28** *(17.80)*
– Altivolus Infotech Pvt. Ltd.	— (–)	— (–)	**15.96** *(5.34)*
3 Sale of Material			
– Polyplex USA LLC	**3,524.09** *(2,050.56)*	— (–)	— (–)
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	**2,448.08** *(2,164.10)*	— (–)	— (–)
4 Expenses Recovered			
– Polyplex (Thailand) Public Co. Ltd.	**51.07** *(125.16)*	— (–)	— (–)
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	**45.85** *(180.83)*	— (–)	— (–)
– Polyplex Resins Sanayi Ve Ticaret A.S.	**41.28** (–)	— (–)	— (–)
– Polyplex USA LLC	**72.61** *(122.70)*	— (–)	— (–)
– Altivolus Infotech Pvt. Ltd.	— (–)	— (–)	*37.72* (–)
– Beehive Systems Private Limited	— (–)	— (–)	*36.82* *(27.44)*
5 Loan given during the Year			
– Peninsula Beverages and Foods Company Pvt. Ltd.*	**500.00** (–)	— (–)	— (–)
6 Payment to Key Managerial Personnel			
– Mr. Sanjiv Saraf	— (–)	**24.00** *(6.00)*	— (–)
– Mr. Pranay Kothari **	— (–)	**122.24** *(142.63)*	— (–)
7 Dividend Received			
– Polyplex (Asia) Pte. Ltd.	**1,120.16** *(3,842.07)*	— (–)	— (–)
– Polyplex (Thailand) Public Co. Ltd.	**356.15** *(393.22)*	— (–)	— (–)
8 Interest Received			
– Peninsula Beverages and Foods Company Pvt. Ltd.	**12.32** (–)	— (–)	— (–)

* Net worth of Peninsula Beverages & Foods Company Pvt. Ltd. (Subsidiary Company) have been fully eroded during the year. In view of future market prospects and expansion plans, management is confident about full recoverability of the same. Accordingly same is considered good by the management.

** To the extent payable

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

T. In view of insufficiency / inadequacy of Profit for the Financial Year ended March 31, 2013, remuneration paid to Mr. Pranay Kothari, Whole Time Director amounting to Rs. 142.63 Lacs exceeded the ceiling on Managerial Remuneration as per Section 198, 269 read with Section 309 of the Companies Act, 1956, for which Company's application is pending for approval of the Ministry of Corporate Affairs, Government of India.

Further, application for approval of remuneration payable to Mr. Pranay Kothari amounting to Rs. 208.24 Lacs as approved by the shareholders for the Financial Year 2013-14 is pending with the Ministry of Corporate Affairs, Government of India. Pending receipt of approval, remuneration of Rs. 122.24 Lacs, as permitted under Schedule XIII of Companies Act, 1956 have been paid / provided.

U. Debtors over six months include overdue debtors aggregating to Rs. 31.95 Lacs (Previous Year – Rs. 45 Lacs) (net of provision of Rs. Nil (Previous Year – Nil)) where Company has initiated legal or other necessary action for recovery.

V. (i) The provision for current income tax is after considering various benefits and allowances available to the Company under the provisions of Income Tax Act, 1961, as assessed by the management and is net of Deemed Tax Credit Entitlement in respect of overseas subsidiary company of Rs. 35.62 Lacs (Previous Year – Rs. 39.32 Lacs)

(ii) On reassessment of deferred tax, liability written back amounting to Rs. 782.74 Lacs.

(iii) 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 provision has been considered necessary by the management.

W. In accordance with the provisions of Accounting Standard on Impairment of Assets (AS – 28), the management has made assessment of assets considering the business prospects related thereto and, accordingly, no provision on account of impairment of assets is considered necessary in these accounts.

X. Previous Year's figures have been re-grouped/re-classified accordingly.

Y. Figures in the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been expressed in Rs. Lacs with two decimals.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2014

Signature to Notes 1 to 26

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary

Sanjiv Saraf
Chairman

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF POLYPLEX CORPORATION LIMITED

Report on the Consolidated Financial Statements of Polyplex Corporation Limited and its Subsidiary

We have audited the accompanying Consolidated Financial Statements of **POLYPLEX CORPORATION LIMITED** and its subsidiary companies (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and the fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements that gives true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

In our opinion and best to our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary as noted below, the Consolidated Financial Statements read together with notes thereon give the information required by Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Consolidated Balance Sheet, of the state of the affairs of the Group as at 31st March 2014,

(b) In case of the Consolidated Statement of the Profit and Loss, of the loss of the Group for the year ended on that date, and

(c) In case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Attention is drawn to note no. 27 F regarding adjustment against Surplus in Consolidated Profit & Loss of Rs. 525.48 Lacs of earlier years of Deferred Tax Asset on first time adoption. Our opinion is not qualified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of foreign subsidiaries Polyplex (Asia) Pte. Limited, Polyplex (Thailand) Public Company Limited, Polyplex (Singapore) Pte. Limited, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, PAR LLC, Polyplex Resins Ve Ticaret Anonim Sirketi, EcoBlue Limited, whose financial statements reflect total assets of Rs. 432,122.25 Lacs as at 31st March 2014, revenues of Rs. 181,869.99 Lacs and net cash flow of Rs. (410.07) Lacs for the year ended on the date. These financial statements of the subsidiaries have been audited by other auditors, whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amount included in respect of the said subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of foreign subsidiaries Polyplex Trading (Shenzhen)

Co. Limited, Polyplex Europe B.V. and Polyplex Pakaetleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi, whose unaudited financial statements reflect total assets of Rs. 1,365.09 Lacs as at 31st March 2014, total revenue of Rs. 1,506.38 Lacs and net cash flow of Rs. 87.56 Lacs for the year then ended. The said financial statements, which were submitted to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far it relates to amount considered in the financial statements for the reason as stated above.

Our opinion is not qualified in respect of these matters.

For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No. 301051E)

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2014

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2014

		NOTE	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
I	**EQUITY AND LIABILITIES**			
	Shareholder's Funds			
	Share Capital	2	3,256.32	3,256.32
	Reserves and Surplus	3	222,799.34	197,280.17
	Minority Interest		61,488.83	66,476.50
	Non Current Liabilities			
	Long Term Borrowings	4	144,189.63	113,423.39
	Deferred Tax Liabilities (Net)	5	—	1,288.84
	Other Long Term Liability	6A	102.49	—
	Long Term Provisions	6B	478.29	377.59
	Current Liabilities			
	Short Term Borrowings	7	37,903.81	28,775.40
	Trade Payables		20,645.52	20,156.49
	Other Current Liabilities	8	39,297.30	26,536.85
	Short Term Provisions	9	756.32	972.53
		TOTAL	530,917.85	458,544.08
II	**ASSETS**			
	Non Current Assets			
	Fixed Assets			
	Tangible Assets	10	249,221.18	151,318.72
	Intangible Assets	10	207.03	80.28
	Capital Work-in-Progress		65,260.59	115,153.81
	Goodwill on Consolidation		401.21	401.45
	Non Current Investments	11	5,959.72	4,682.02
	Long Term Loan and Advances	12	3,205.75	3,014.97
	Other Non-Current Assets	13	505.42	146.96
	Deferred Tax Assets (Net)	5	6,163.86	—
	Current Assets			
	Current Investments	14	651.54	2,065.71
	Inventories	15	52,194.97	43,206.13
	Trade Receivables	16	40,935.53	34,443.93
	Cash & Bank Balances	17	93,269.61	89,955.96
	Short Term Loans and Advances	18	11,825.75	12,244.99
	Other Current Assets	19	1,115.69	1,829.15
		TOTAL	530,917.85	458,544.08
	Significant Accounting Policies and other explanatory notes are integral part of Consolidated Financial Statements	1, 27		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

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

		NOTE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I	**Revenue from Operations**	20	**317,222.66**	253,486.25
II	**Other Income**	21	**3,707.44**	6,340.38
III	**Total Revenue (I + II)**		**320,930.10**	259,826.63
IV	**Expenses**			
	Cost of Material Consumed	22	**219,055.45**	166,741.44
	Purchases of Stock-in-Trade		**6,636.90**	3,886.41
	Changes in Inventory	23	**(5,030.81)**	(3,479.90)
	Employee Benefit Expenses	24	**24,571.18**	17,967.16
	Finance Costs	25	**5,398.50**	3,233.64
	Depreciation & Amortisation		**19,151.59**	14,995.40
	Other Expenses	26	**62,802.99**	49,611.97
	Total Expenses		**332,585.80**	252,956.12
V	**Profit Before Exceptional and Extraordinary Items and Tax**		**(11,655.70)**	6,870.51
VI	**Exceptional Items (Gain) / Loss**		**—**	—
VII	**Profit Before Tax (V–VI)**		**(11,655.70)**	6,870.51
VIII	**Tax Expense**			
	Current Tax - MAT		**549.93**	323.44
	MAT Credit Entitlement		**(495.08)**	(98.05)
	Deferred Tax		**(6,508.25)**	8.45
	Prior Period Adjustment - Tax		**—**	7.37
	Total		**(6,453.40)**	241.21
IX	**Profit for the Period before Minority Interest (VII–VIII)**		**(5,202.30)**	6,629.30
X	**Less: Minority Interest**		**(4,518.91)**	4,506.04
XI	**Profit for the Period after Minority Interest**		**(683.39)**	2,123.26
XII	**Earning Per Share**			
	– Basic (in Rs.)		**(2.14)**	6.64
	– Diluted (in Rs.)		**(2.14)**	6.64
	Significant Accounting Policies and other explanatory notes are integral part of Consolidated Financial Statements	1, 27		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

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

	2013-14 (Rs. in Lacs)		2012-13 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**(11,655.70)**		6,870.51
Adjusted for: -				
Depreciation / Amortization	**19,234.00**		15,066.64	
Provision for Doubtful Debts / Bad Debts written off	**87.73**		154.49	
Interest Expenses	**5,398.50**		3,233.64	
Interest Income	**(3,336.69)**		(3,008.59)	
Decrease of Inventory to Net Realisable Value	**—**		244.82	
Unrealised Foreign Exchange (Gain) / Loss	**13,909.27**		(5,309.49)	
Excess Provision / Sundry Balances written back	**(55.16)**		(48.58)	
Provision for Doubtful Debts written back	**—**		(4.71)	
Loss / (Gain) on Sale of Fixed Assets (Net)	**(29.01)**		(50.33)	
Asset written off	**23.76**		43.83	
Profit on Sale of Investments	**(28.69)**		(37.79)	
		35,203.71		10,283.93
Operating Profit before Working Capital Changes		**23,548.01**		17,154.44
Adjusted for: -				
Trade and Other Receivables	**(5,555.94)**		(9,964.96)	
Inventories	**(8,988.83)**		(5,899.92)	
Trade Payables and Other Liability	**2,417.77**	**(12,127.00)**	6,463.67	(9,401.21)
Cash Generated from Operations		**11,421.01**		7,753.23
Taxes Paid		**(68.30)**		(575.57)
Net Cash From Operating Activities		**11,352.71**		7,177.66
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets & CWIP including Advances	**(60,705.33)**		(104,571.81)	
Sale of Fixed Assets	**378.18**		789.64	
Purchase of Long Term Investments	**(786.43)**		(4,679.52)	
Purchase of Short Term Investments	**(49,638.95)**		(38,905.98)	
Sale of Short Term Investments - MF	**51,081.80**		38,758.06	
(Decrease) / Increase in Minority Interest (Net of Dividend Paid)	**(468.75)**		851.01	
Interest / Dividend received	**2,443.60**		2,844.98	
Net Cash Used In Investing Activities		**(57,695.88)**		(104,913.62)

	2013-14 (Rs. in Lacs)		2012-13 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	**43,798.66**		87,926.04	
Repayment of Long Term Borrowings	**(15,568.09)**		(14,106.58)	
Net Proceeds from Short Term Borrowings	**9,128.41**		17,115.21	
Interest Paid	**(5,350.37)**		(3,237.27)	
Dividends Paid	**(948.98)**		(1,275.94)	
Tax on Distributed Profits	—		(207.55)	
Net Cash used in Financing Activities		**31,059.63**		86,213.91
D. CHANGE IN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION		**18,597.19**		1,074.33
Net Increase in Cash and Cash Equivalents		**3,313.65**		(10,447.72)
Cash and Cash Equivalents at the beginning of the year	30,058.14		35,086.21	
Other Bank balances at the beginning of the year	59,897.82		65,317.47	
Total Cash & Bank Balances at the beginning of the year		**89,955.96**		100,403.68
Cash and Cash Equivalents at the end of the year	43,418.70		30,058.14	
Other Bank Balances at the end of the year	49,850.91		59,897.82	
Total Cash & Bank Balances at the end of the year		**93,269.61**		89,955.96

NOTES :
1. Cash and cash equivalent represents cash and bank balances as per Note No. 17.
2. Previous Year figures are regrouped wherever necessary.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Place : New Delhi
Date : May 30, 2014

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : NOIDA
Date : May 30, 2014

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, 2014, 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% (1)
Polyplex (Singapore) Pte. Limited (PSPL)	Singapore	100% (2)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)	Turkey	100% (3)
Polyplex Trading (Shenzhen) Co. Limited (PTSL) @	China	100% (4)
PAR LLC (USA)	U.S.A	100% (5)
Polyplex Resins Sanayi VE Ticaret A.S, (PR)	Turkey	100% (6)
Polyplex America Holdings Inc. (PAH)	U.S.A	100% (2)
Polyplex USA LLC (PU)	U.S.A	100% (7)
Peninsula Beverages and Foods Company Private Limited (PBF)	India	100% (8)
EcoBlue Limited (EcoBlue)	Thailand	80% (9)
Polyplex Europe B.V. (PEBV)*	Netherland	100% (10)
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi (PP) ^	Turkey	100% (11)

(1) Includes Nil (Previous Year 145) ordinary shares not registered in the name of the Company, beneficial interest being held by PCL and PAPL.
(2) 100% subsidiary of PTL.
(3) 100% subsidiary of PSPL. Includes 4 shares not registered in the name of the PSPL, beneficial interest being held by PSPL.
(4) 100% Subsidiary of PSPL
(5) 100% Subsidiary of PAPL
(6) 67% share held by PE and 33% share being held by PAPL
(7) 100% Subsidiary of PAH
(8) 100% Subsidiary of PAPL
(9) 80% share being held by PTL
(10) 100% Subsidiary of PTL
(11) 100% Subsidiary of PE
@ Audited till 31st December, 2013 and post that date there are no material Transactions.
* Incorporated as subsidiary of Polyplex (Thailand) Public Company Limited (PTL) on April 17, 2013
^ Incorporated as subsidiary of Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE) on September 11, 2013

(d) Accounting Policies and Notes to Accounts of the financial statements of the Company and its Subsidiaries are set out in their respective financial statements.

(e) The policy for depreciation for manufacturing unit adopted by Polyplex Corporation Limited (PCL) is Written Down Value (WDV) method, at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956.

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 & 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 Furniture & Equipment 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 3-7 Years, at such time the property becomes classified as business property.

(f) 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.

(g) Employees Benefits

The policy on employees benefits differ in case of PE and PR 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 EUR 1,143 at March 31, 2014) per year of employment at the rate of pay applicable at the date of retirement or termination.

(h) 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.

(i) 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.

NOTE 2

SHARE CAPITAL

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
AUTHORISED		
3,40,00,000 (Previous Year – 3,40,00,000) Equity Shares of Rs. 10 each	**3,400.00**	3,400.00
ISSUED AND SUBSCRIBED		
3,31,80,300 (Previous Year – 3,31,80,300) Equity Shares of Rs. 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 Rs. 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

	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

	As at March 31, 2014 No. of Shares	As at March 31, 2013 No. of Shares
Mahalaxmi Trading & Investment Co. Ltd.	**76,22,390**	7,622,390
Secure Investments Ltd.	**55,35,744**	5,535,744
IL & FS Trust Company Ltd.	**36,76,809**	27,01,887
ICICI Prudential (Tax Plan + Child Care Plan)	**18,76,419**	20,33,677

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

2013-14	2012-13	2011-12	2010-11	2009-10
	—	—	**15,992,300**	—

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of Rs.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.

NOTE 3

RESERVES & SURPLUS

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
CAPITAL RESERVE		
Central Investments Subsidy	**85.00**	85.00
Addition during the year	—	—
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	**15,318.71**	13,892.81
Less : Bonus shares issued	—	—
Add : Updation on Translation Adjustment	**(45.13)**	2,795.89
Less : Minority Interest	**(22.11)**	1,369.99
Sub Total (b)	**15,295.69**	15,318.71
LEGAL RESERVE #		
As per Last Balance Sheet	**1,781.53**	1,585.68
Addition during the year	—	—
Updation on Translation Adjustment	**(3.17)**	195.85
Sub Total (c)	**1,778.36**	1,781.53
GENERAL RESERVE		
As per Last Balance Sheet	**4,959.20**	4,907.20
Transferred from Profit & Loss Account	**327.00**	52.00
Sub Total (d)	**5,286.20**	4,959.20
SURPLUS AS PER PROFIT & LOSS ACCOUNT		
Surplus Brought Forward	**1,51,805.44**	1,50,378.22
Add : Profit as per Profit & Loss Statement	**(683.39)**	2,123.26
Less : Transferred to General Reserve	**327.00**	52.00
Adjustment: Deferred Tax Adjusted (net of minority interest)	**(525.48)**	—
Adjustment: Transferred to Cost of Control	–	(315.50)
Proposed Dividend	**639.69**	959.54
Corporate Dividend Tax - Proposed Dividend	**108.72**	—
Sub Total (e)	**1,50,572.12**	1,51,805.44
FOREIGN EXCHANGE TRANSLATION RESERVE (Including arised on Consolidation)		
As per Last Balance Sheet	**22,991.13**	15,508.53
Addition during the year	**26,451.68**	7,482.60
Sub Total (f)	**49,442.81**	22,991.13
TOTAL (a+b+c+d+e+f)	**2,22,799.34**	1,97,280.17

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

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
SECURED TERM LOANS FROM BANKS			
Rupee Term Loan		**5,875.00**	3,775.00
Foreign Currency Term Loan		**1,64,083.00**	1,25,434.79
	Sub Total (a)	**1,69,958.00**	1,29,209.79
Less: Current Portion			
Rupee Term Loan		**812.50**	2,900.00
Foreign Currency Term Loan		**24,955.87**	12,886.40
	Sub Total (b)	**25,768.37**	15,786.40
	TOTAL (a–b)	**1,44,189.63**	1,13,423.39

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

NOTE 5

DEFERRED TAX LIABILITY / (ASSETS) (Net)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
DEFERRED TAX (ASSETS)		
Disallowance as per Income Tax Act	**(6,635.10)**	(28.73)
DEFERRED TAX LIABILITY		
Disallowance on Account of Depreciation	**471.24**	1,317.57
	(6,163.86)	1,288.84

NOTE 6A

OTHER LONG TERM LIABILITIES

	Non-Current Amount		Current Amount	
	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)	**As at March 31, 2014 (Rs. in Lacs)**	As at March 31, 2013 (Rs. in Lacs)
Financial Lease Liability	**102.49**	—	29.28	—
TOTAL	**102.49**	—	29.28	—

NOTE 6B

LONG TERM PROVISIONS

	Non-Current Amount		Current Amount	
	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)	**As at March 31, 2014 (Rs. in Lacs)**	As at March 31, 2013 (Rs. in Lacs)
Provision for Retirement Benefits	**478.29**	**377.59**	5.85	10.99
TOTAL	**478.29**	**377.59**	5.85	10.99

NOTE 7

SHORT TERM BORROWINGS

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
SECURED LOANS:			
Loans from Banks Repayable on Demand		**37,302.71**	26,622.01
Buyer's Credit		–	778.44
	Sub Total (a)	**37,302.71**	27,400.45
UNSECURED LOANS:			
Loans from Banks Repayable on Demand		**601.10**	1,374.95
	Sub Total (b)	**601.10**	1,374.95
	TOTAL (a+b)	**37,903.81**	28,775.40

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

NOTE 8

OTHER CURRENT LIABILITIES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Current Maturity of Long Term Debt	**25,768.37**	15,786.40
Interest Accrued but not due on Borrowing	**364.15**	316.02
Unpaid Dividend	**115.84**	105.28
Other Security Deposits	**139.29**	157.88
Statutory Liability	**810.70**	791.45
Creditors for Capital Expenses	**3,153.94**	1,464.11
Advance from Customers	**2,303.44**	1,144.44
Other Liabilities	**6,641.57**	6,771.27
TOTAL	**39,297.30**	26,536.85

NOTE 9

SHORT TERM PROVISIONS

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Provision for Wealth Tax	**2.06**	2.00
Provision for Tax	**—**	—
Provision for Retirement Benefits	**5.85**	10.99
Proposed Dividend	**639.69**	959.54
Corporate Dividend Tax	**108.72**	—
TOTAL	**756.32**	972.53

NOTE 10

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at April 01, 2013	Additions during the year	Sale/ adjust-ments*	**As at March 31, 2014**	As at April 01, 2013	For the year	Sale/ adjust-ments	**As at March 31, 2014**	**As at March 31, 2014**	As at March 31, 2013
TANGIBLE ASSETS										
Freehold Land	8,311.88	764.88	(469.75)	**9,546.51**	—	—	—	—	**9,546.51**	8,311.88
Leasehold Land	472.59	20.74	—	**493.33**	89.26	12.90	—	**102.16**	**391.17**	383.33
Buildings	34,311.96	27,876.68	(1,377.96)	**63,566.60**	7,031.89	2,182.64	(180.14)	**9,394.67**	**54,171.93**	27,280.07
Plant & Machinery	182,474.43	80,461.12	(7,394.51)	**270,330.06**	70,192.86	15,963.74	(2,522.35)	**88,678.95**	**181,651.11**	112,281.57
Electrical Installations	2,039.01	24.52	28.03	**2,035.50**	875.58	156.89	27.31	**1,005.16**	**1,030.34**	1,163.43
Furniture & Fixtures	1,729.17	789.04	478.25	**2,039.96**	1,128.84	169.76	(87.68)	**1,386.28**	**653.68**	600.33
Office Equipments	1,669.16	84.50	(657.34)	**2,411.00**	965.35	338.02	4.30	**1,299.07**	**1,111.93**	703.81
Vehicles	1,357.40	430.73	186.61	**1,601.52**	763.10	259.95	86.04	**937.01**	**664.51**	594.30
TOTAL	**232,365.60**	**110,452.21**	**(9,206.67)**	**352,024.48**	**81,046.88**	**19,083.90**	**(2,672.52)**	**102,803.30**	**249,221.18**	**151,318.72**
Previous Year	218,058.04	4,181.55	(10,126.01)	232,365.60	63,196.15	14,964.05	(2,886.68)	81,046.88	1,51,318.72	
INTANGIBLE ASSETS										
Computer Software	270.54	183.45	(26.07)	**480.06**	190.26	67.69	(15.08)	**273.03**	**207.03**	80.28
TOTAL	**270.54**	**183.45**	**(26.07)**	**480.06**	**190.26**	**67.69**	**(15.08)**	**273.03**	**207.03**	**80.28**
Previous Year	235.64	30.73	(4.17)	270.54	162.30	31.35	3.39	190.26	80.28	
Grand Total - Current Year	**232,636.14**	**110,635.66**	**(9,232.74)**	**352,504.54**	**81,237.14**	**19,151.59**	**(2,687.60)**	**103,076.33**	**249,428.21**	**151,399.00**
Grand Total - Previous Year	218,293.68	4,212.28	(10,130.18)	232,636.14	63,358.45	14,995.40	(2,883.29)	81,237.14	151,399.00	

Note:

* Sale / Adjustment includes adjustment of foreign exchange fluctuation gain of Rs. 10,049.82 Lacs. (Previous Year gain of Rs. 11,173.83 Lacs)

NOTE 11

NON-CURRENT INVESTMENTS

(At Cost Less Provisions)
(Long Term Investment - Other than Trade)

	Face Value	**As at March 31, 2014 No. of Shares**	**As at March 31, 2014 (Rs. in Lacs)**	As at March 31, 2013 No. of Shares	As at March 31, 2013 (Rs. in Lacs)
Unquoted - Equity / Ordinary Shares (Fully Paid up unless otherwise stated)					
INVESTMENT IN OTHER COMPANIES					
Bhilangana Hydro Power Limited	Rs. 10	**25,000**	**2.50**	25,000	2.50
Investment in Bonds			**5,957.22**		4,679.52
	TOTAL		**5,959.72**		4,682.02
Note:					
– Aggregate of Unquoted Investments (At Cost Less Provision)			**2.50**		2.50

NOTE 12

LONG TERM LOANS AND ADVANCES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Capital Advances to Vendors	**1,543.87**	1,889.11
Security Deposits	**836.66**	795.72
MAT Credit Entitlement	**825.22**	330.14
TOTAL	**3,205.75**	3,014.97

NOTE 13

OTHER NON-CURRENT ASSETS

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Export Incentives	**7.15**	0.49
Miscellaneous Expenditure (to the extent not written off)	**126.33**	146.47
Fixed Deposit with Banks	**371.94**	—
TOTAL	**505.42**	146.96

NOTE 14

CURRENT INVESTMENTS

(Other than Trade)
Unquoted - Other than Shares)

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
MUTUAL FUNDS			
Other investment		**651.54**	2,065.71
	TOTAL	**651.54**	2,065.71

NOTE 15

INVENTORIES

(as valued and certified by the Management)
(at lower of cost and net realisable value)

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Raw Materials		**18,304.67**	15,583.50
(including Stock in Transit of Rs. 2,396.06 Lacs, Previous Year – Rs. 1,076.38 Lacs)			
Stock in Process		**8,763.86**	6,395.18
Finished Goods (including Traded stock)		**18,424.57**	15,799.90
(including Stock in Transit of Rs. 3,632.54 Lacs, Previous Year – Rs. 4,170.40 Lacs)			
Stores & Spares		**6,701.87**	5,427.55
	TOTAL	**52,194.97**	43,206.13

NOTE 16

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DUE DATE			
Considered Good		**432.16**	284.69
Considered Doubtful		**276.67**	84.16
Less: Provision for Doubtful Debts		**(276.67)**	(84.16)
OTHER DEBTS			
Unsecured, Considered Good		**40,503.37**	34,159.24
	TOTAL	**40,935.53**	34,443.93

NOTE 17

CASH AND BANK BALANCES

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
CASH AND CASH EQUIVALENTS		
Cash on Hand	**47.53**	57.03
BANK BALANCE WITH SCHEDULED BANKS		
Current Accounts	**339.11**	815.75
Fixed Deposits with origin less than three months	**52.00**	52.00
BANK BALANCE WITH NON-SCHEDULED BANKS		
Current Accounts	**15,958.98**	12,578.46
Fixed Deposits with origin less than three months	**27,021.08**	16,554.90
Sub Total (a)	**43,418.70**	30,058.14
EARMARKED BALANCES WITH BANKS		
Unpaid Dividend Accounts	**115.73**	105.17
Fixed Deposits with origin more than one year	**371.94**	—
	487.67	105.17
Less: Fixed Deposit presented under Other Non Current Assets (Note 13)	**(371.94)**	—
Sub Total (b)	**115.73**	105.17
OTHER BANK BALANCES		
Fixed Deposits (Pledged with Banks)	**2.60**	100.40
Fixed Deposits with origin more than three months	**—**	14,413.16
Fixed Deposits with origin more than one year	**49,732.58**	45,279.09
Sub Total (c)	**49,735.18**	59,792.65
TOTAL (a+b+c)	**93,269.61**	89,955.96

NOTE 18

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Loans and Advances to Related Party	**25.25**	20.25
Advances to Vendors & others	**6,254.58**	6,307.57
Export Benefit Receivables	**1,096.92**	1,270.37
Prepaid Expenses	**340.32**	491.19
Inter-corporate Deposit	**2,500.00**	2,600.00
Deposits with Government Authorities & Others	**232.63**	80.28
Advance Tax (Net of Provisions)	**380.62**	367.11
Balance with Customs & Excise	**995.43**	1,108.22
TOTAL	**11,825.75**	12,244.99

NOTE 19

OTHER CURRENT ASSETS

		As at March 31, 2014 (Rs. in Lacs)	As at March 31, 2013 (Rs. in Lacs)
Discarded Plant & Machinery held for Sale		93.77	105.64
Other Receivables		1,021.92	1,723.51
	TOTAL	1,115.69	1,829.15

NOTE 20

REVENUE FROM OPERATIONS

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SALES			
Plastic Films		296,377.37	247,926.22
Resins		17,029.83	7,146.90
Others		9,215.82	3,039.02
	Total	322,623.02	258,112.14
Less: Excise Duty		(5,791.08)	(4,992.86)
Net Sales		316,831.94	253,119.28
OTHER OPERATING INCOME			
Liabilities Written Back		55.16	48.58
Provision for Doubtful Debts Written Back		—	4.71
Insurance Claims Received		248.47	296.95
Prior Period Income		87.09	16.73
	TOTAL	317,222.66	253,486.25

NOTE 21

OTHER INCOME

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Rental Income		249.26	226.34
Profit on Sale of Current Investments		28.69	37.79
Foreign Exchange Fluctuation Gain (Net)		—	2,998.18
Interest Income		3,336.69	3,008.59
Profit on Sale of Fixed Assets (Net)		29.01	50.33
Miscellaneous Income		63.79	19.15
	TOTAL	3,707.44	6,340.38

NOTE 22

COST OF MATERIAL CONSUMED

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material		**208,213.88**	157,838.46
Packing Material		**10,841.57**	8,902.98
	TOTAL	**219,055.45**	166,741.44

NOTE 23

CHANGES IN INVENTORY

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
OPENING STOCK		
– Finished Goods	**15,760.47**	13,519.07
– Stock in Process - Chips / Others	**6,395.19**	5,150.95
	22,155.66	18,670.02
CLOSING STOCK		
– Finished Goods	**18,424.57**	15,760.47
– Stock in Process - Chips / Others	**8,763.86**	6,395.19
	27,188.43	22,155.66
Add : Increase / (Decrease) in Excise Duty on Stocks	**1.96**	5.74
Net Changes in Inventory	**(5,030.81)**	(3,479.90)

NOTE 24

EMPLOYEE BENEFIT EXPENSES

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salaries, Wages, Bonus etc		**21,243.00**	15,234.64
Contribution to Provident and other Funds		**959.90**	820.47
Staff Welfare Expenses		**2,368.28**	1,912.05
	TOTAL	**24,571.18**	17,967.16

NOTE 25

FINANCE COSTS

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest Expense	5,037.34	2,786.45
Other Borrowing Cost	361.16	447.19
TOTAL	5,398.50	3,233.64

NOTE 26

OTHER EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
MANUFACTURING EXPENSES		
Job Work Charges	3.57	7.02
Stores & Spares Consumed	6,569.01	5,710.97
Power & Fuel	19,806.76	16,757.82
Repairs and Maintenance:		
Building	201.18	136.99
Plant & Machinery	1,883.79	1,686.03
Sub Total (a)	28,464.31	24,298.83
ADMINISTRATIVE EXPENSES		
Rent	1,105.83	477.69
Insurance	1,803.08	1,440.13
Directors' Commission	24.00	6.00
Directors' Sitting Fee	105.65	114.60
Other Administrative Expenses	9,231.56	8,999.37
Sub Total (b)	12,270.12	11,037.79
SELLING EXPENSES		
Freight	11,853.00	11,154.32
Other Selling Expenses	3,103.21	2,842.03
Sub Total (c)	14,956.21	13,996.35
OTHER EXPENSES		
Asset Written Off	23.76	43.83
Provision for Doubtful Advance to supplier	100.08	—
Donation	82.76	6.35
Foreign Exchange Fluctuation Loss (Net)	6,724.84	—
Amortisation for Pre-operative Expenses	82.41	71.24
Bad Debts	62.56	147.71
Provision for Doubtful Debts	25.17	6.78
CSR	10.77	3.09
Sub Total (d)	7,112.35	279.00
TOTAL (a+b+c+d)	62,802.99	49,611.97

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 Rs. 1543.87 Lacs, Previous Year – Rs. 1,889.11 Lacs) - Rs. 6944.34 Lacs (Previous Year – Rs. 16,147.26 Lacs) as provided & certified by the Management.

B. Contingent Liabilities not provided for in respect of (as provided & certified by the Management):

a) Disputed matters under litigation:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	**113.15**	179.03
Excise Duty & Customs Duty	**29.14**	29.14
Income Tax	**232.67**	73.54
Others	**32.84**	30.05

b) Bills discounted with banks Rs. Nil Lacs (Previous Year – Rs 142.69 Lacs).

c) Custom duty saved amounting to Rs. 1,513.89 Lacs (Previous Year – Rs. 2,469.66 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

d) Counter Guarantees given to / by the banks Rs. 1,15,628.42 Lacs (Previous Year – Rs. 98,898.62 Lacs) (utilised amount Rs. 1,04,758.15 Lacs (Previous Year – Rs. 70,011.35 Lacs)) including Rs. 2.00 Lacs (Previous Year – Rs. 2.00 Lacs) on behalf of other bodies corporate.

e) **Service Agreements**

Polyplex (Thailand) Public Company Limited

As at March 31, 2014, the Company had commitments totalling Rs. 2767.58 Lacs (Previous Year – Rs. 3,655.84 Lacs) under various service agreements. These agreements expire between April, 2014 and September, 2016.

C. **Polyplex (Thailand) Public Company Limited**

The Company has received promotional privileges from the Board of Investments for the manufacture of polyester films, metallized films, extrusion Coated films, cast polypropylene films, silicon coated films and PET resins. As a promoted company, the company must comply with certain conditions and restrictions provided for in the promotional certificates.

D. (i) The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

POLYPLEX CORPORATION LIMITED

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (Rs. Lacs)	Amount (Fx)	Amount (Rs. Lacs)
Loans - Long Term	USD	**2,60,20,184**	**15,640.68**	2,34,21,021	12,740.87
	EUR	**1,19,34,991**	**9,856.69**	1,45,87,210	10,137.79
	JPY	**42,00,00,000**	**2,512.86**	63,00,00,000	3,701.88
Loans - Short Term	USD	**36,44,432**	**2,190.66**	54,01,590	2,938.43
	EUR	—	—	4,36,219	303.41
Debtors	USD	**77,08,919**	**4,632.27**	55,76,494	3,032.16
	EUR	**13,54,669**	**1,118.50**	9,57,128	665.53
Sundry Creditors	USD	**1,45,775**	**87.61**	2,21,404	120.51
	EUR	**1,70,719**	**140.99**	60,581	42.14
	JPY	—	—	8,61,800	5.06
Other Liabilities	USD	**2,33,838**	**140.56**	1,98,293	107.06
	EUR	—	—	1,416	1.00

PENINSULA BEVERAGES & FOODS COMPANY PRIVATE LIMITED

Particulars	Document Currency	Current Year		Previous Year	
		Amount (Fx)	Amount (Rs. Lacs)	Amount (Fx)	Amount (Rs. Lacs)
Loans & Advances	USD	**86,033**	**46.99**	1,26,321	68.71

(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 in (Fx)	Contract Sell / Buy	Currency	Amount in (Fx)
Forward Contracts	Euro/INR	**EUR**	**3,12,546**	—	—	—
	—	—	—	USD/INR	USD	2,80,000
SWAP Deal	USD/JPY	**USD**	**40,00,000**	USD/JPY	USD	60,00,000

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 Contract	Baht/USD	**USD**	**37,00,000**	Baht/USD	USD	20,80,000
	USD/Baht	**USD**	**2,64,20,000**	USD/Baht	USD	1,93,90,000
	Baht/CHF	**Swiss Franc**	—	Baht/CHF	Swiss Franc	3,00,000
	Baht/Euro	**Euro**	**6,00,000**	Baht/Euro	Euro	5,70,000
	Euro/Baht	**Euro**	**8,80,000**	Euro/Baht	Euro	10,90,000
	JPY/Baht	**Japenese Yen**	**4,56,90,000**	JPY/Baht	Japenese Yen	6,00,60,000
	USD/TL	**Turkish Lira**	—	USD/TL	Turkish Lira	35,00,000
	Euro/TL	**Turkish Lira**	**14,00,000**	Euro/TL	Turkish Lira	5,00,000
	Euro/USD	**USD**	**41,00,000**	Euro/USD	USD	—
	USD/Euro	**Euro**	**10,00,000**	USD/Euro	Euro	—

(iii) Polyplex Corporation Limited took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of fixed assets. During the year, Nil (Previous Year – loss (net) of Rs 36.81 Lacs) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of Rs 103.78 Lacs (Previous Year – gain (net) of Rs 0.56 Lacs) on mark to market on outstanding derivatives as on March 31, 2014 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the fixed assets.

E. During the current year a new manufacturing facility has started commercial production in USA.

F. During the year Polyplex (Thailand) Public Limited (PTL), a subsidiary of Company, in its consolidated financial statement has recognised Deferred Tax Assets (DTA) for the first time. DTA (net) amounting to Rs. 525.48 Lacs (net of minority interest) and Rs. 5645.08 Lacs have been adjusted from retained earnings and statement of profit & loss respectively.

G. Regarding net worth of a subsidiary (Peninsula Beverages and Foods Company Private Limited) have become negative, however financial statements have been prepared on Going Concern Basis.

H. Operating Lease

POLYPLEX CORPORATION LIMITED

The Company has taken one premise under operating lease agreement. It is not cancellable for six years and renewable by mutual consent on mutually agreed terms.

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Total lease payment during the year (Recognized in Statement of Profit & Loss)	**19.14**	19.17
Minimum Lease Payments		
– Not later than one year	**3.35**	18.23
– Later than one year but not later than five years	**NIL**	3.19
– Later than five years	**NIL**	NIl

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, 2014 are as follows :

(Rs. in Lacs)

Payables within	Current Year	Previous Year
Not later than one year	**114.85**	149.44
Later than one year but not later than five years	**77.80**	113.53
Total	**192.66**	262.97

I. Geographical Segment :

Information about Geographical Segment :

(i) Revenues inside India includes sales to customers located within India.

(ii) Revenues outside India include sales to customers located outside India.

(Rs. in Lacs)

Sl. No.	Information about Geographical Segments (by location of customer and assets)	India	Outside India	Total
1	External Revenue - Sales & Other Income	**87,633.73** (68,769.23)	**2,33,296.36** (1,91,057.40)	**3,20,930.10** (2,59,826.63)
2	Carrying Amount of Segment Assets by location of assets	**77,118.91** (81,590.11)	**3,80,047.91** (2,59,142.48)	**4,57,166.82** (3,40,732.59)
3	Capital Expenditure	**6,683.20** (2,710.41)	**53,713.99** (1,01,617.90)	**60,397.20** (1,04,328.31)

Note :- Figures in brackets ( ) indicate Previous Year figures

J. Earnings Per Share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(Rs. in Lacs)	**(683.39)**	2,123.26
Weighted Average number of Equity Shares considered as Denominator for calculation of Basic EPS	(Nos.)	**3,19,84,600**	3,19,84,600
Weighted Average number of Equity Shares considered as Denominator for calculation of Diluted EPS	(Nos.)	**3,19,84,600**	3,19,84,600
Basic EPS	(Rs.)	**(2.14)**	6.64
Diluted EPS	(Rs.)	**(2.14)**	6.64

K. Related Party Disclosures (as identified by Management)

Related Party Disclosures as required by AS-18, "Related party Disclosures" are given below :

i. Related parties with whom transactions have taken place during the year :

Key Management Personnel (KMP)

- Mr. Sanjiv Saraf (Chairman)
- Mr. Pranay Kothari (Executive Director)

Relative of Key Management Personnel

- Ms. Ritu Kothari

Enterprises over which Key Management Personnel, 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

ii. Nature of Transactions with Related Parties:

(Rs. in Lacs)

Particulars	Key Management Personnel	Relative of KMP	Enterprises over which significant Influence exists	Total
Purchase of Material / Services	— (–)	**28.35** *(27.00)*	**8.16** *(6.10)*	**36.51** *(33.10)*
Services Rendred	— (–)	— (–)	**105.02** *(61.50)*	**105.02** *(61.50)*
Managerial Remuneration	**159.58** *(312.22)*	— (–)	— (–)	**159.58** *(312.22)*
Commission to Director	**24.00** *(6.00)*	— (–)	— (–)	**24.00** *(6.00)*
Expenses Recovered	— (—)	— (–)	**102.35** *(224.15)*	**102.35** *(224.15)*
Director's Sitting Fees	**1.80** *(2.20)*	— (–)	— (–)	**1.80** *(2.20)*
Outstanding at year end				
Receivables on Account of Sale of Goods / Services	— (–)	**20.25** *(20.25)*	**5.00** (–)	**25.25** *(20.25)*
Receivables on account *of* expenses Recovered	— (–)	— (–)	**4.53** (–)	**4.53** (–)
Payables	**96.40** *(6.00)*	— (–)	— (–)	**96.40** *(6.00)*
Investment in Equity / Preference Shares	— (–)	— (–)	**2.50** *(2.50)*	**2.50** *(2.50)*

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

iii. Disclosure of Material Transactions with Related Parties

(Rs. in Lacs)

Particulars	Enterprises over which significant Influence exists	Relative of Key Management Personnel
Purchase of Material / Services		
– Dalhousie Villa Private Limited	7.32 *(6.10)*	– *(–)*
Service Rendered		
– Beehive Systems Pvt. Ltd.	36.00 *(36.00)*	– *(–)*
– Manupatra Information Solutions Pvt. Ltd.	20.28 *(17.80)*	– *(–)*
– Altivolus Infotech Pvt. Ltd.	15.96 *(5.34)*	– *(–)*
Expenses Recovered		
– Altivolus Infotech Pvt. Ltd.	37.72 *(–)*	– *(–)*
– Beehive Systems Pvt. Ltd.	36.82 *(–)*	– *(–)*
Payment to Key Managerial Personnel		
– Shri Sanjiv Saraf	61.34 *(28.66)*	– *(–)*
– Shri Pranay Kothari*	122.24 *(142.63)*	– *(–)*

* To the extent payable

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

L. In view of insufficiency / inadequacy of Profit for the Financial Year ended March 31, 2013, remuneration paid to Mr. Pranay Kothari, Whole Time Director amounting to Rs. 142.63 Lacs exceeded the ceiling on Managerial Remuneration as per Section 198, 269 read with Section 309 of the Companies Act, 1956, for which Company's application is pending for approval of the Ministry of Corporate Affairs, Government of India.

Further, application for approval of remuneration payable to Mr. Pranay Kothari amounting to Rs. 208.24 Lacs as approved by the shareholders for the Financial Year 2013-14 is pending with the Ministry of Corporate Affairs, Government of India. Pending receipt of approval, remuneration of Rs 122.24 Lacs, as permitted under Schedule XIII of Companies Act, 1956 have been paid / provided.

M. Figures in the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement have been expressed in Rs. 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
(Firm Regn. No : 301051E)

N. K. Lodha
Partner
Membership No. 85155

Signature to Notes 1 to 27

Jitender Balakrishnan
Sanjiv Chadha
Rakesh Awasthi
Brij Kishore Soni
Suresh Inderchand Surana
Directors

Manish Gupta
Chief Financial Officer

Sanjiv Saraf
Chairman

Ashok Kumar Gurnani
Company Secretary

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2014

Place : NOIDA
Date : May 30, 2014

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, Gautam Budh Nagar, Uttar Pradesh - 201 301
Email : investorrelations@polyplex.com Website : www.polyplex.com