POLYPLEX

30th Annual Report
2014-15

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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
Ms. Pooja Haldea
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 Bazpur - 262 401,
   Distt. Udham Singh Nagar,
   Uttarakhand

Auditors

Lodha & Co.,
Chartered 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

Registrar and Share Transfer Agent (RTA)

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

POLYPLEX AT A GLANCE

Sales and Other Income of Rs. 3,322.07 Crores (USD 543.38 million)*

75% revenues from overseas markets

72% of Polyplex products are used in food and consumer goods markets

Over 1698 customers all over the globe

About 1800 employees world wide

Dividend paid every year since 1993-94

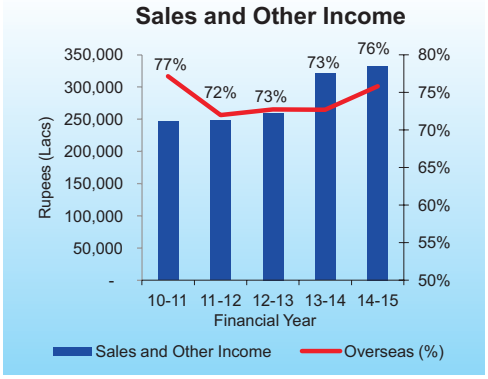
NSE Code : POLYPLEX

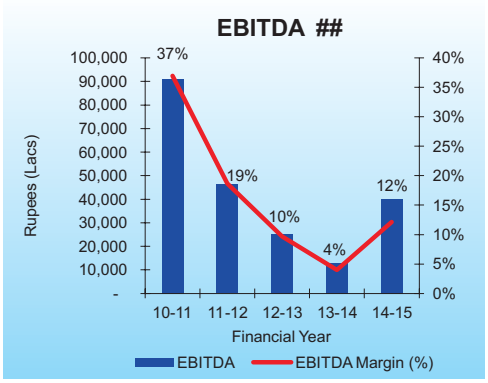
BSE Code : 524051

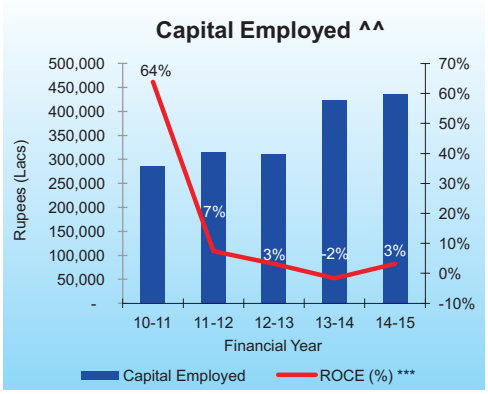
**** Based on consolidated performance; figures in USD have been calculated based on average exchange rate during the year.***

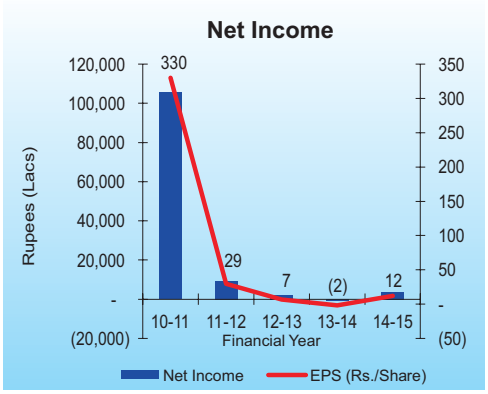
POLYPLEX

FINANCIAL HIGHLIGHTS*









(Rs. in Lacs)

Description	2014-15	2013-14	2012-13	2011-12	2010-11
Profit and Loss					
EBITDA @@	40,207	12,894	25,100	46,331	90,962
Profit attributable to Shareholder	3,795	(683)	2,123	9,398	105,557
Balance Sheet					
Net Fixed Assets @	257,665	315,090	266,954	162,997	148,653
Loan Funds ^	165,445	207,862	157,985	72,323	72,833
Shareholders' Funds #	205,769	219,892	201,825	191,233	164,909
Cash Flow					
Net Cash Flow from Investing Activities	8,433	(57,696)	(104,914)	(33,563)	61,101
Key Ratios					
PAT Margin (%) **	2%	(2%)	3%	8%	54%
ROE (%) ****	3%	(2%)	3%	9%	87%
Net Debt ^ ^ ^ : Equity $	0.21	0.40	0.25	–	–
Per Share Data					
Earning per Share	11.86	(2.14)	6.64	29.38	330.03
Dividend per Share	2.50	2.00	3.00	4.00	13.00

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 Other Income
$ Equity = Shareholders' Funds + Minority Interest
@@ EBITDA = Sales and Other Income – Manufacturing Expenses – Operating and Other Expenses
^ Loan Funds includes Long Term + Short Term Debt + 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 + Short Term Debt + Current Portion of Long Term Debt – Cash and Bank Balances Debt

* 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 Company has been able to significantly improve its performance during the last year despite continued oversupply situation in the Polyester film industry, coupled with the challenges of ramping up the new investments made by the Company in last few years. The focus during the year has been on consolidation, integration and vertical & horizontal compression of the organization. There have been continuous efforts towards improvements in all aspects of the operations resulting in productivity improvement and cost optimization. The Company has continued to invest in developing talent pipelines for leadership positions through specific development plans.

The Company's decision to sell off its stake in Polyplex Resins, the bottle grade PET Resin plant in Turkey was to ensure that the Company continues to focus on its core business of PET Film and invest its resources in ramping up and making the new PET film lines in USA and Thailand profitable. The sale also resulted in easing off the pressure on the cash flows of the Company and helped reducing the financial leverage at consolidated balance sheet level.

Sales and Other Income grew to INR 33.2 billion, up 4% from the previous year. Increase in the sales volume from new production lines were partially set-off by decrease in the selling price of base film due to fall in raw material prices. The profit (before tax and exceptional gain/loss) at the consolidated level is INR 1.30 billion as against the consolidated loss (before tax and exceptional gain/loss) of INR 1.17 billion during the previous year. There is an exceptional loss of INR 0.48 billion on account of sale of stake in Polyplex Resins. The financial position continues to remain healthy and strong with adequate liquidity and low leverage on a consolidated basis after accounting for cash and cash equivalents.

The capacity utilization of base films has increased due to ramp up in new production lines in USA & Thailand. Recent investments in Metallizers and Offline Coating capacities across various locations have further broadened the product portfolio and enhanced the proportion of specialty product revenue. The Company is confident that with its diverse geographical presence together with the product offering, wide spread customer base and recent investments in new projects 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 recycling plant which had started recently in Thailand contributes in reducing the impact of plastic waste on the environment. We remain committed to address growing concerns on environmental impact of plastic films.

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

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

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 also offers other substrates (BOPP, CPP and Blown PP/PE) used in the flexible packaging industry. BOPP, CPP and Blown PP films are polypropylene (PP) based films, which are pre-dominantly used in packaging besides certain industrial applications like tapes, labels and thermal lamination. 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.

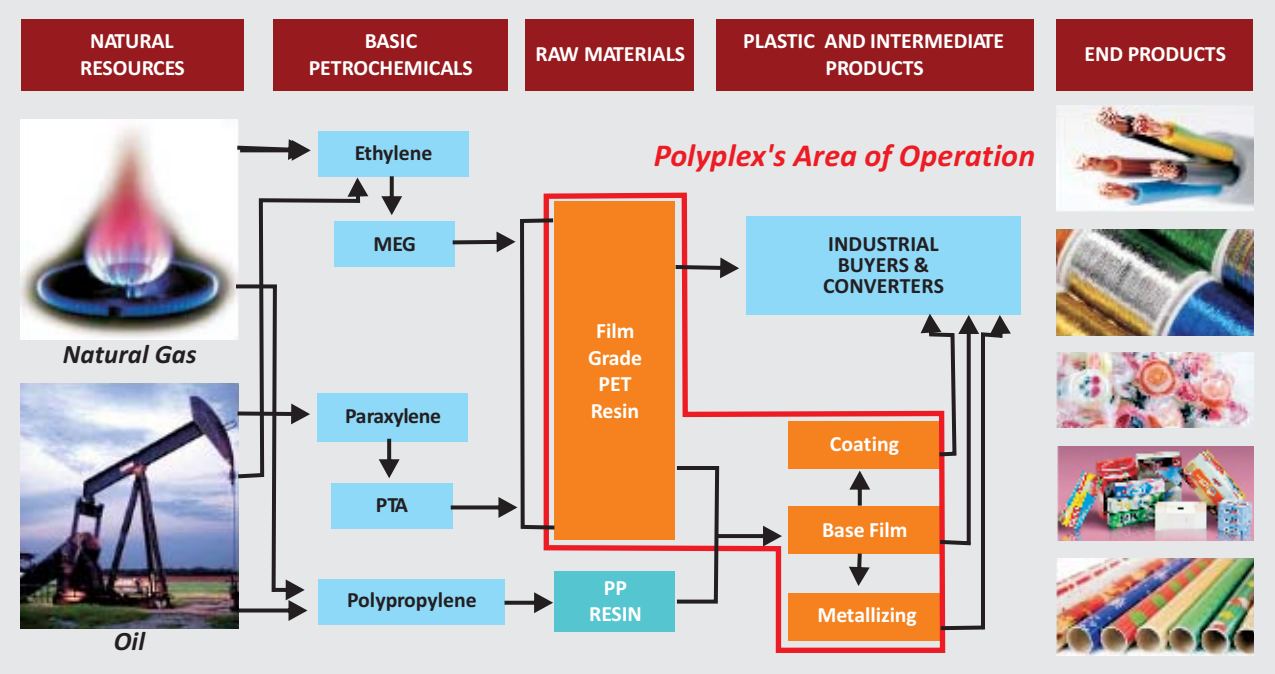
As part of its concentric diversification strategy, the Company has entered into thick PET film suitable for a range of industrial applications including imaging & graphics, photovoltaics and flat panel displays.

Over the past few years, the Company has ventured into downstream businesses like Metallizing, Silicone Coating, Extrusion Coating, & 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 at Thailand has further expanded the product line of its silicone coated films. The Company has also introduced an innovative non tearable polyester film in India designed especially for digital print media segment for photo albums, commercial printing, promotional & customized digital printing, label and flexible packaging applications.

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). The Company produces its own PET resin.

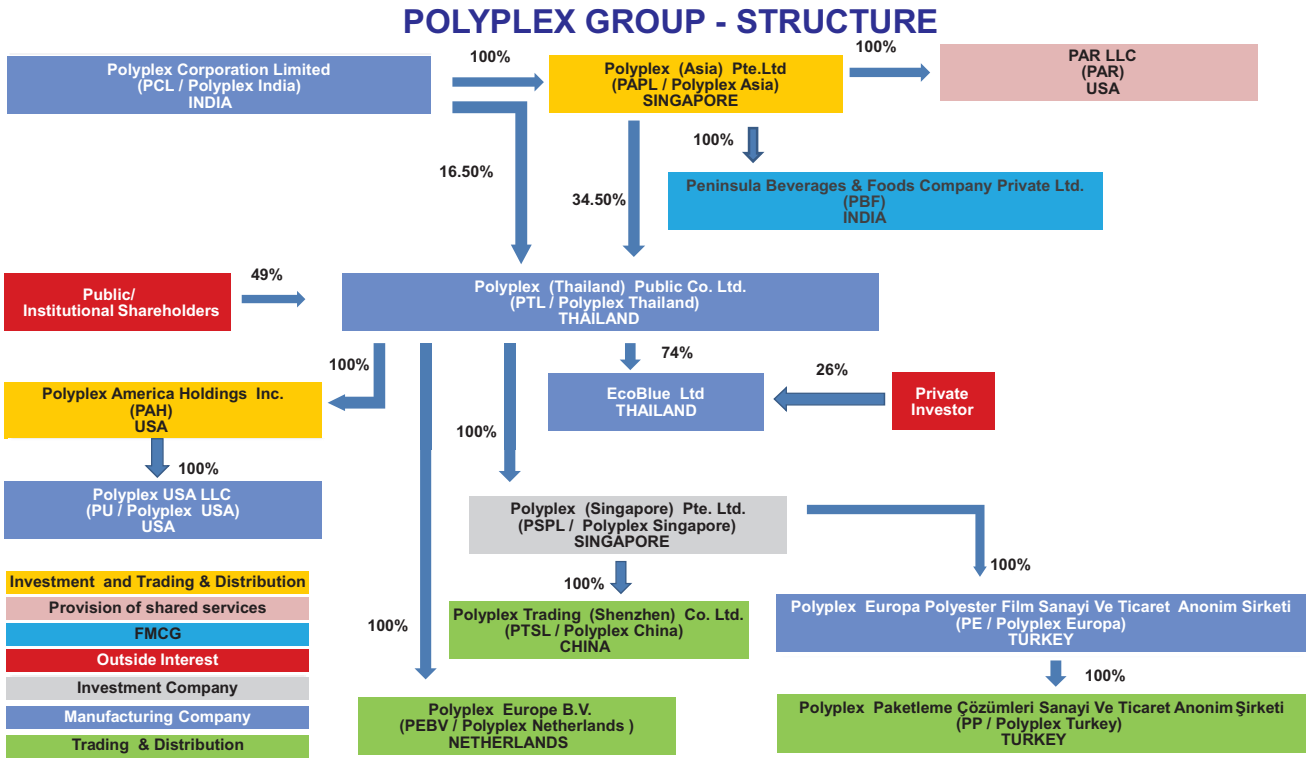
The value chain for the Company's main businesses is depicted below:



GLOBAL OPERATIONS

Polyplex has attained a leadership position in the thin PET film business with manufacturing and distribution operations in six countries viz. India, Thailand, Turkey, USA, China & Netherlands, which along with warehouses in Poland, Spain, Germany, Italy & 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, 2015. PAPL is, *inter-alia,* engaged in trading of various plastic products. The issued and paid up capital of PAPL as of March 31, 2015 is USD 1.13 million.

Peninsula Beverages and Foods Company Private Ltd. (PBF)

PAPL acquired 99.90% shares in PBF in February 2013. In May 2013, PBF, which is in the business of trading in packaged beverages and food products became the wholly owned subsidiary of PAPL. The issued and paid up capital of PBF as of March 31, 2015 is Rs. 987.44 Lacs.

PAR LLC (PAR)

PAR LLC is a United States Limited Liability Company incorporated in Texas in May 2011. The Company is 100% owned by PAPL. 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, 2015 stands at USD 2.2 million.

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

PTL was incorporated as a private Company in March 2002 to manufacture and distribute PET film. In August 2004, the Company became a public Company and subsequently listed on the Stock Exchange of Thailand (SET) in December 2004. 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, 2015 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, 2015 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 polyester film plant to cater to the European and other proximate markets. The commercial operations started in December 2005 with the start up of the first thin PET film line. The issued and paid up capital of PE, including additional contribution from PSPL, as of March 31, 2015 stands at Euro 8.83 million.

Polyplex Trading (Shenzhen) Co. Ltd (PTSL)

In September 2009, 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, 2015 is USD 0.4 million.

Polyplex Americas Holding Inc (PAH)

In July 2011, PAH was established in USA as an Investment and Trading & Distribution Company. PAH is a 100% subsidiary of PTL. 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, 2015 is USD 29.62 million.

Polyplex USA LLC (PU)

Polyplex USA LLC was established in July 2011 as a 100% subsidiary of PAH. PU was incorporated to expand the global manufacturing footprint into North America by setting up a thin PET film line, a continuous process PET chips plant and metallizing capacity. The members' contribution which represents the paid up capital of PU is USD 29.5 million as on March 31, 2015.

EcoBlue Ltd. (EL)

Eco Blue Ltd., a 74% subsidiary of PTL was established in October 2012 in Thailand to provide end-of-life solutions for film-based process waste. The paid up capital of Eco Blue Ltd as at March 31, 2015 is THB 10.65 million.

Polyplex Europe B.V. (PEBV)

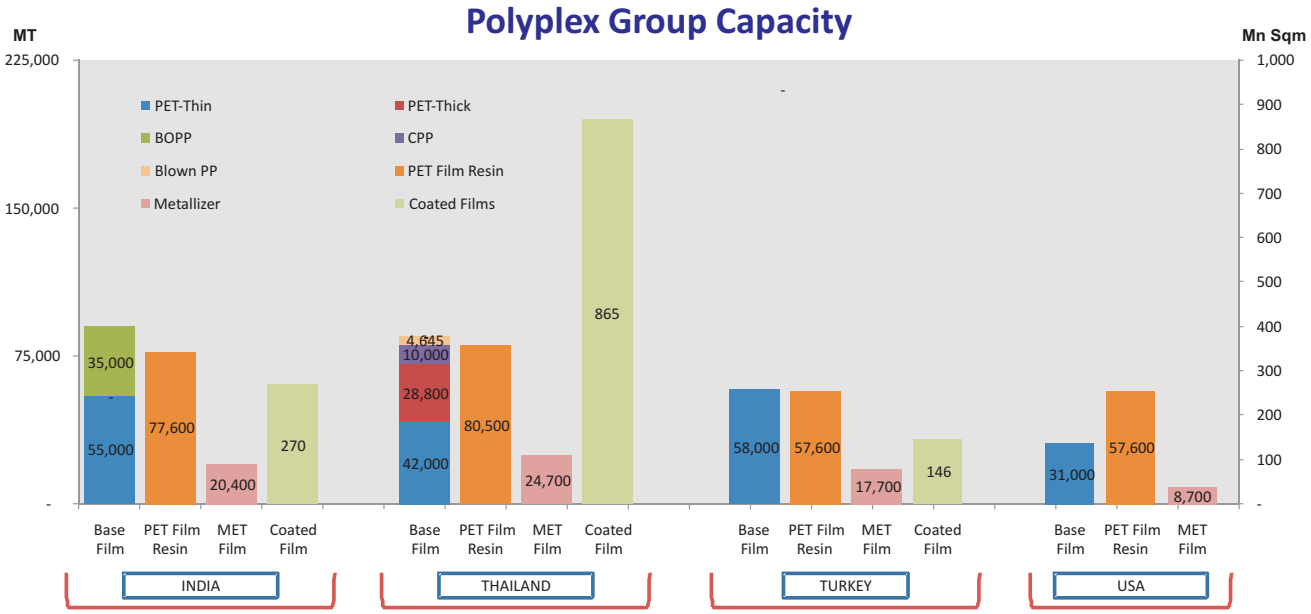
PEBV was established in Netherlands in April 2013 as a 100% owned distribution subsidiary of PTL, to better service EU customers for Polyplex products. The paid up capital of PEBV as at March 31, 2015 is Euro 0.2 million.

Polyplex Paketleme Çözümleri Sanayi Ve Ticaret Anonim Şirketi (PP)

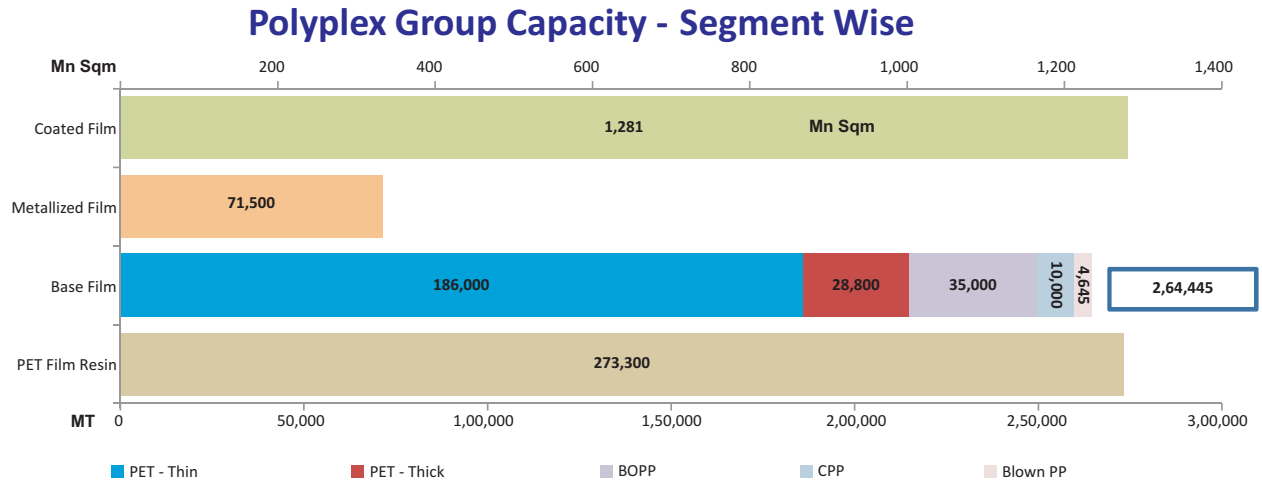
In September 2013, PE established a Company in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret Anonim ŞIrketi (PP) holding 100% of its share capital for trading of PET Film, PET chips and other products of the Company to cater to the need of domestic market more efficiently. The registered share capital of this Company is Turkish Lira 100,000 as of March 31, 2015, which has been fully called and paid up.

PRODUCTION CAPACITIES

The manufacturing capacities of various locations are as follows:



Note: Base Film, Resin & Metallized Film in Metric Ton; Coating Capacity in Million Sqm
Note: The Board of Investment (BoI) approved capacity in PTL, Thailand is:
PET films (48,000 tons), PET Chips (85,000 tons), Metallized films (29400 tons) & Coated films (1090 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 ramped up 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 December 2011 to produce intermediate thicknesses as well as specialty films. This has enabled 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 72% 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

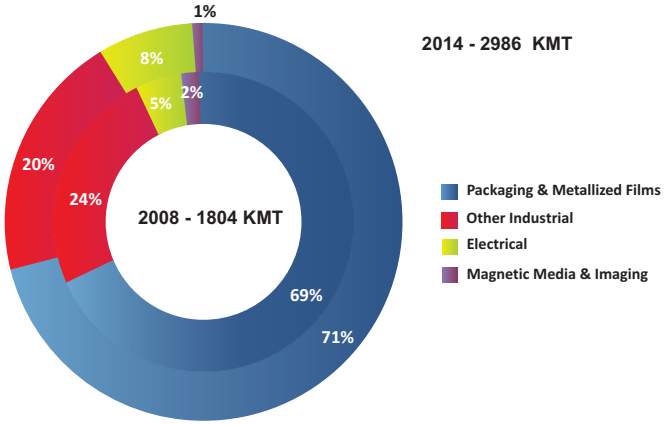
Improved Quality of Life

Increasing Environmental Awareness

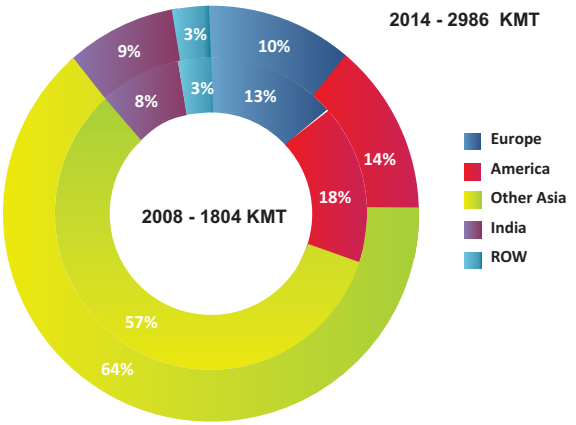
Increasing Consumerism

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 largest consumers of PET films, growth in Asia is driving the overall global marketplace.

Global Thin PET Film demand by End Use



Global Thin PET Film demand by Region

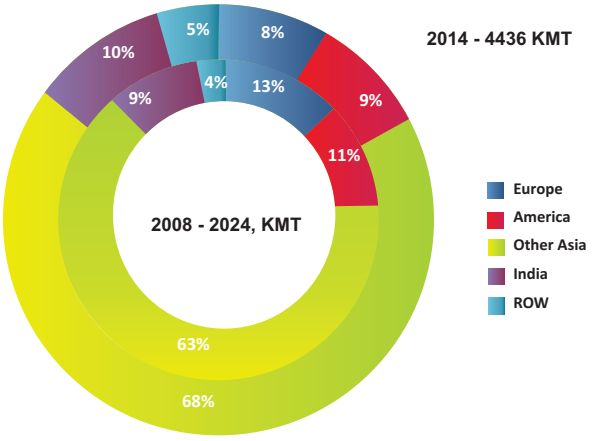


Source: Company estimates (as updated comprehensively)

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.

Since the past 3-4 years, the thin PET film industry is witnessing a significant 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.

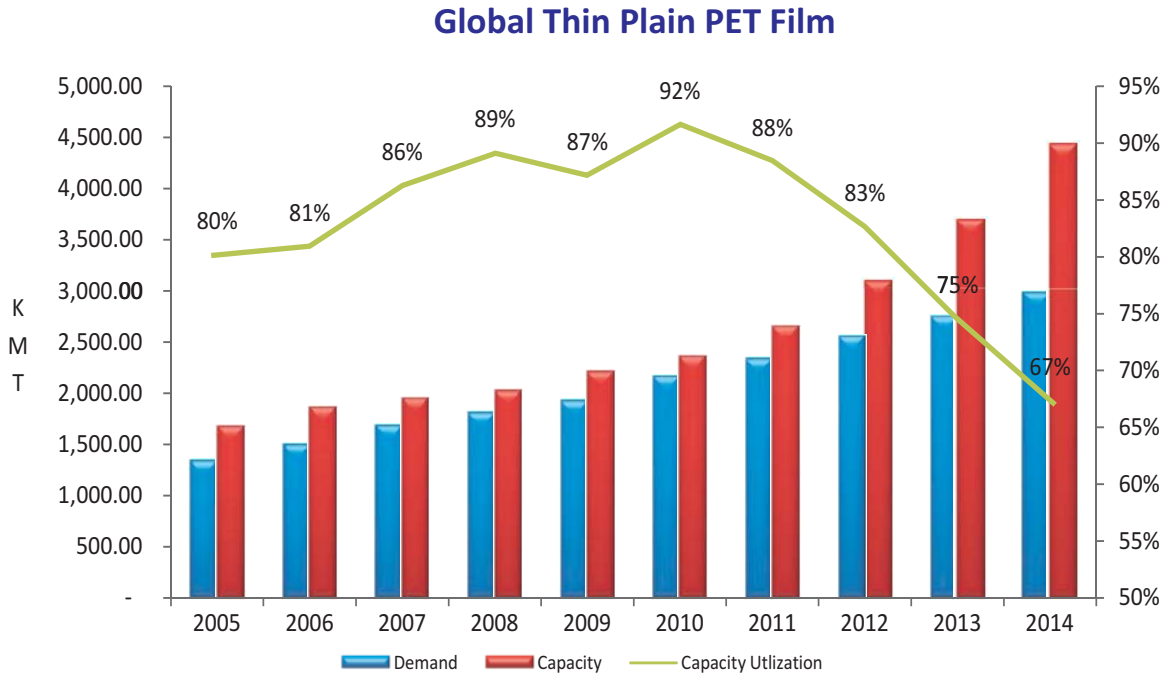
Global Thin PET Film capacity by Region



Source: Company estimates (as updated comprehensively)

Global thin PET film growth rates are expected to be at about 7-8% for the next few years, with the demand in India & "Other Asia" growing at a higher rate of 9-10%. 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 2005 is as under:



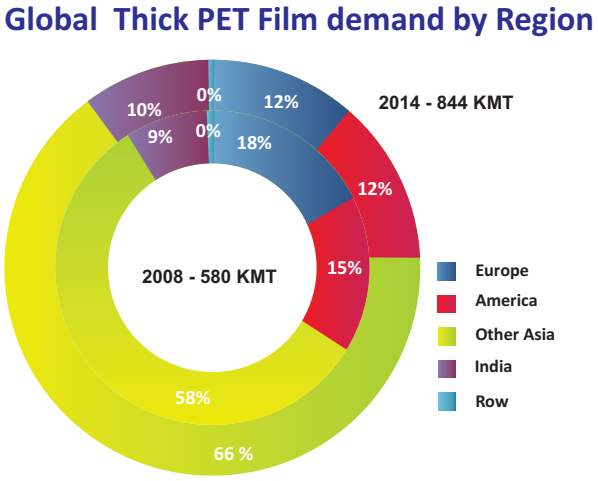
Source: Company estimates (as updated comprehensively)

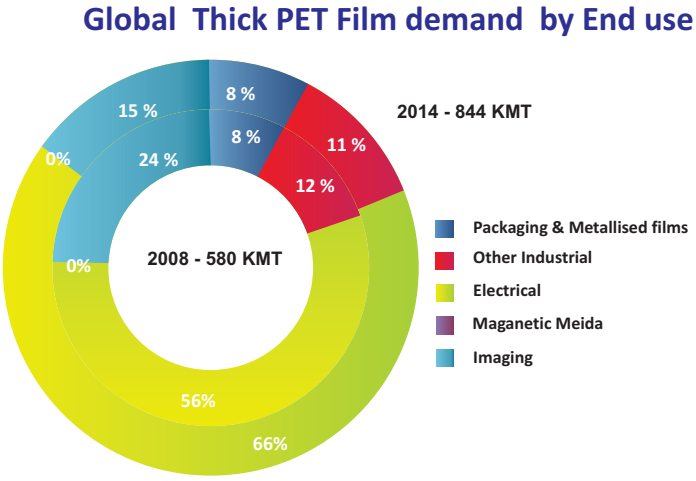
During the years 2005 to 2012, global average capacity utilization of PET film manufacturers was in the range of 80-90% of rated or nameplate capacity. Since the year 2013 utilization rates had declined sharply and reached to the level of 67% in the year 2014 due to excess capacity built up in the industry. The levels of 80-90% are considered high 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 75% of global consumption. Electrical and Industrial are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of about 6.0% to 7.0%. Global growth has been apparent in all end use sectors with the exception of the Medical/Other X-ray. Over the past few years, China has emerged as the largest market for BOPET thick films, having overtaken Japan which was the world's leading market in 2007.

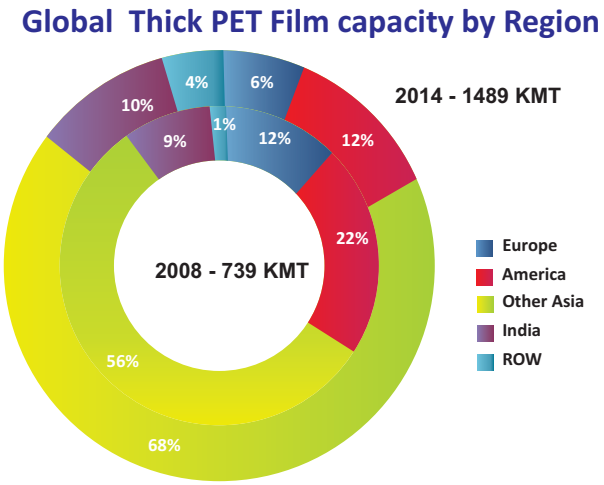
New innovations and new applications in the Electrical segments (like Flat Screen panel, photovoltaic, etc) have been driving the growth in the recent years and would help this industry to continue to grow at a CAGR of about 5% in the medium term.





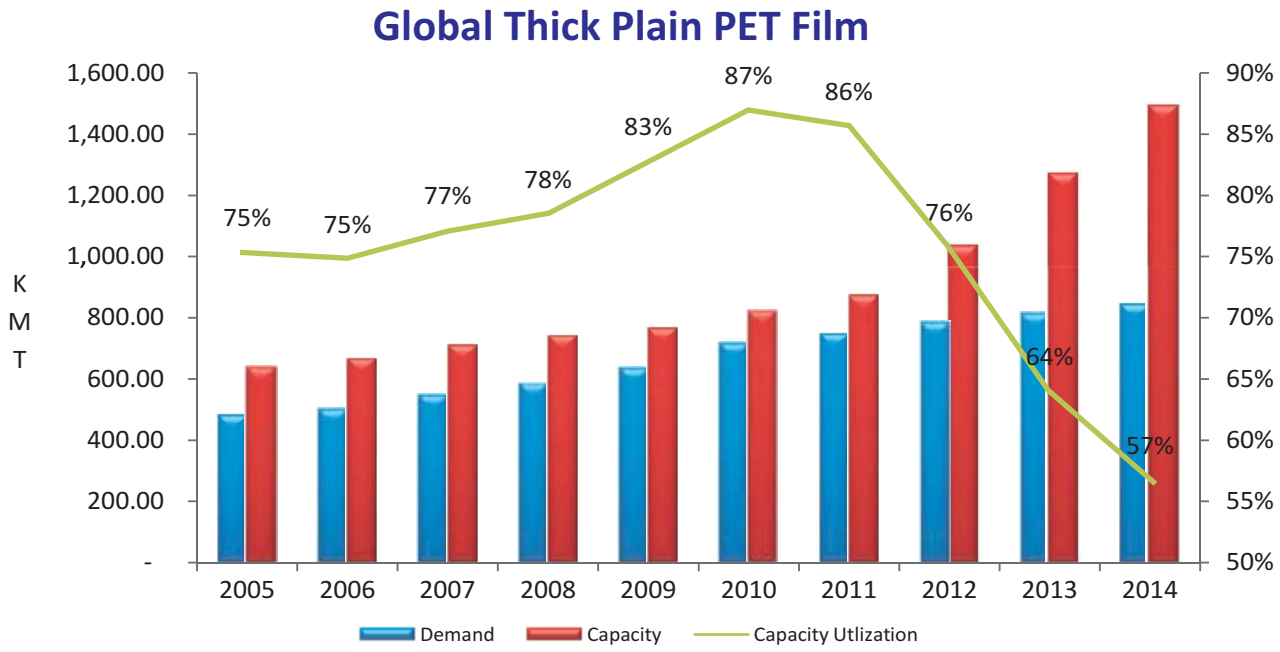
Source: Company estimates (as updated comprehensively)

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.



Source: Company estimates (as updated comprehensively)

The trend for global capacity utilization for thick PET film since 2005 is as under:



Source: Company estimates (as updated comprehensively)

Upto 2011, global average demand has increased with a CAGR of 7% whereas capacity has increased with a CAGR of 5% only thus resulting in an upward trend in the utilization rates of Thick PET film. Since the year 2011, the increase in the capacities has been substantial with a CAGR of 16-18% whereas the demand has increased only with the rate of 4-5%, resulting in overall excess supply situation.

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 - release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Applications of siliconised polyester release 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 March 2012.

PTL has also commissioned a Blown PP/PE line in October 2013. 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 2013.

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

OFFLINE COATING BUSINESS

With the objective of boosting its product portfolio, Company also diversified into Offline Coated films in Turkey and India in March 2014 and September 2014 respectively. Further with enhanced capability of value added products through the new assets, Company enhanced its product portfolio into following segments in the global market:

- Transparent Barrier Films (incl. Alox coated films)
- Low Emissivity Films
- Peelable Sealable Films
- Yarn Grade Films

These products have various applications in food packaging, lidding, textile and industrial sectors. These products helped 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 size in India was estimated to be around 280,000 tonnes for the FY 2014-15. During the FY 2015-16, growth of 10-11% 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 260,000 tonnes for the year under review with a capacity base of 590,000 tonnes. Demand is expected to grow around 10-11% annually.

Exports of converted product have increased in recent times aided by strengthening of US Dollar vs. Rs. 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 part of the year 2011. Large capacity additions post the year 2010 has led to significant excess capacity. Capacity utilization of existing Indian capacities is expected to improve in FY 2015-16 but may be negatively impacted thereafter as several lines are under implementation/consideration.

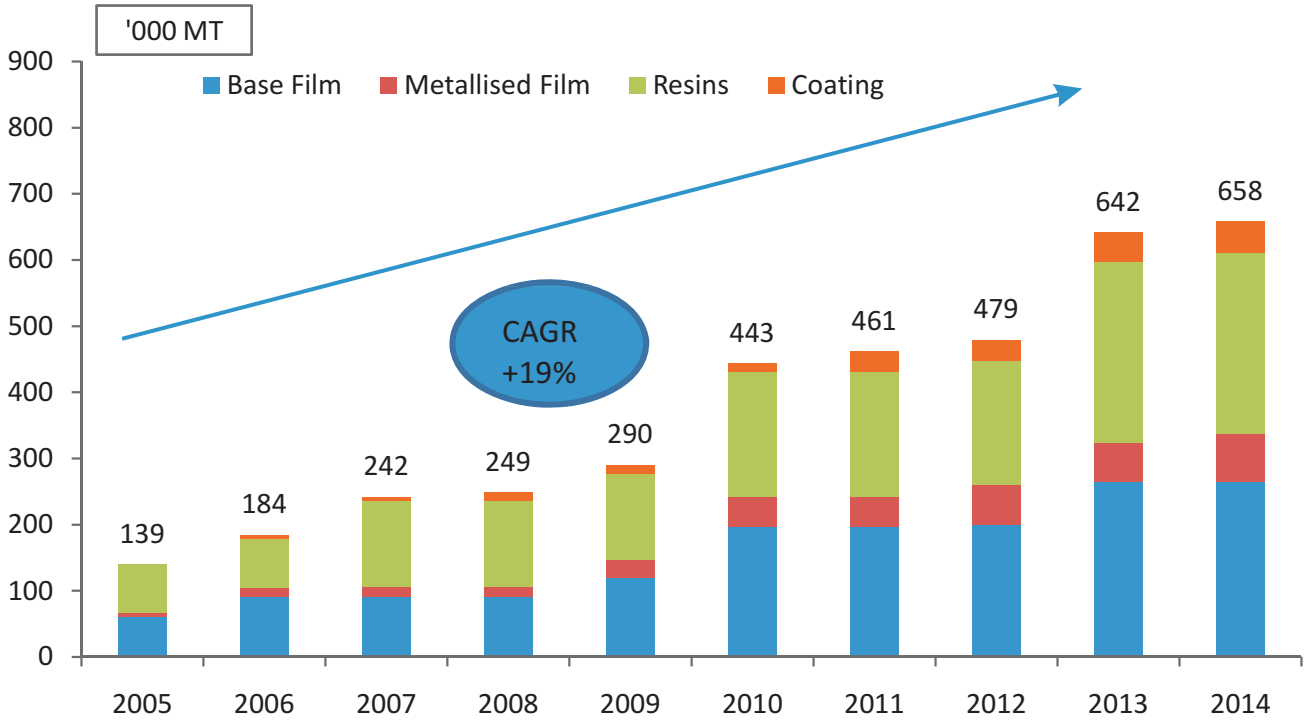
STRATEGY

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 and distribution operations in two countries - China & Netherlands. The warehouses in Poland, Spain, Germany, Mexico & Italy and representative office in Malaysia & Korea are further steps towards 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. This was supplemented with the acquisition of the plastic metallizing assets of Vacumet Corporation, based in Georgia, USA, a fully owned subsidiary of Scholle Corporation, USA in July, 2012. These assets have been relocated to Decatur, Alabama and integrated with the thin PET film line while some shifted to other Group locations.
- 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.
- 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. There is a continued focus on enhancing the proportion of specialty product revenues.
- Integrated manufacturing facilities with high productivity assets to ensure cost competitiveness.
- Continuous improvements in all aspects of the operations, productivity improvement initiatives and cost optimization initiatives through several projects undertaken viz; use of rice husk boiler for heating instead of more expensive furnace oil, packing & freight cost reductions, quality improvements and waste reductions, standardization of business processes etc.
- 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.
- Increased emphasis on upgrading technical services and development of new product by leveraging in-house R&D capabilities.
- Maintaining a liquid and strong balance sheet which gives it the flexibility to move quickly on any growth opportunity.
- 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.
- 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.

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 19% in capacity in the period of 2005 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.

BUSINESS PROCESS EXCELLENCE

To sustain competitive advantage and to differentiate from our competitors, the Company has recognized the need for Business Process Improvement and Excellence. The activities in this regard are being taken under the "Business Process Excellence" (BPE) initiatives.

The basic objective of BPE is to:

1. Establish & standardize business processes;
2. Identify & execute improvement initiatives aimed at generating saving and/or delivering value to business partners (vendors & customers);
3. Leverage process & technology within the group and deploy horizontally across all locations.

PROJECTS

During FY 2014-15, new metallizers have been operationalized both in Thailand & Turkey respectively to manufacture higher optical density films and transparent barrier films. This would augment the portfolio of Metallized Films. An Offline Coater to produce specialty products has also been commissioned at the existing location at Bazpur during the year.

DIVESTMENT IN BOTTLE GRADE PET RESIN PLANT - TURKEY

In March 2015, the Company has divested 100% controlling interest of Polyplex Resins Sanayi Ve Ticaret Anonim Şirketi (PR) in favour of Indorama Ventures Limited (IVL). The PET Bottle Grade Resin line was the first such line in the Group which was being implemented at PR.

The Bottle Grade PET Resin Plant had an annual capacity of 210,000 tonnes and was a significant related diversification for the Company. This divestment would enable the Company to concentrate its resources and management attention towards its core business of plastic films. The transaction has also resulted in significant cash inflows and has helped reduce the financial leverage at consolidated balance sheet level.

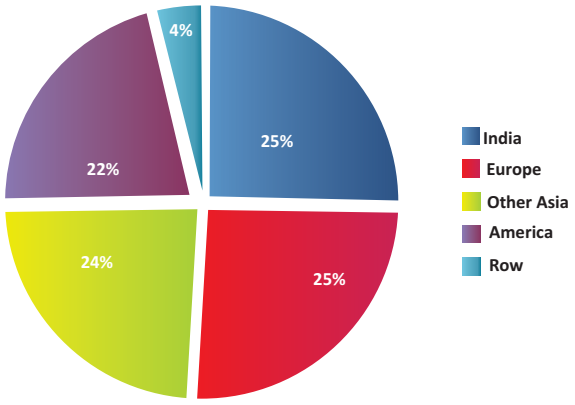
PERFORMANCE DURING THE YEAR

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

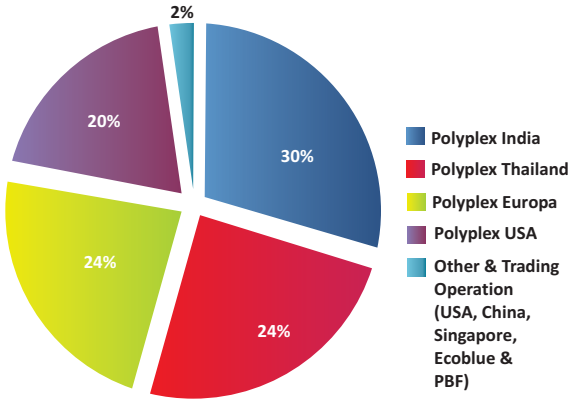
Sales & Operations:

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 1698 end customers with low customer concentration. Its top 10 customers contributed 27% of total revenues in FY 2014-15 and 67% of the Company's revenues were from PET films (Thin & Thick) in FY 2014-15. Of the total sales of the group 69% 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:

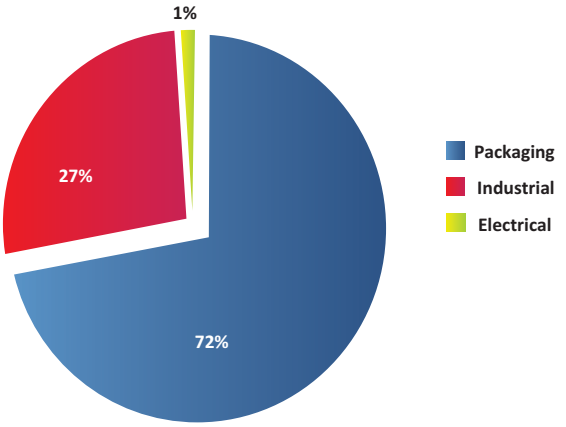
Region-wise Breakup of Sales



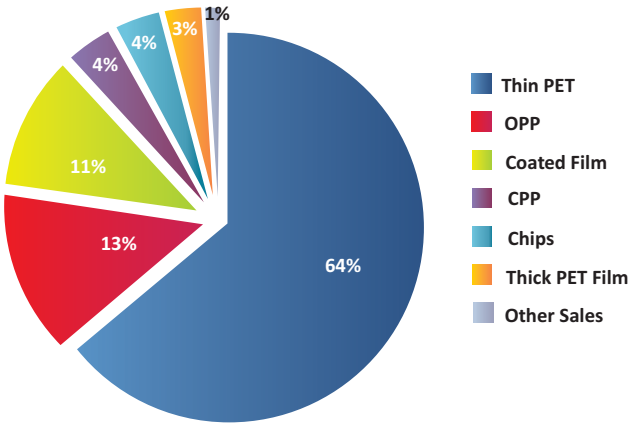
Business Segment-wise Breakup of Sales



Application-wise Breakup of Sales

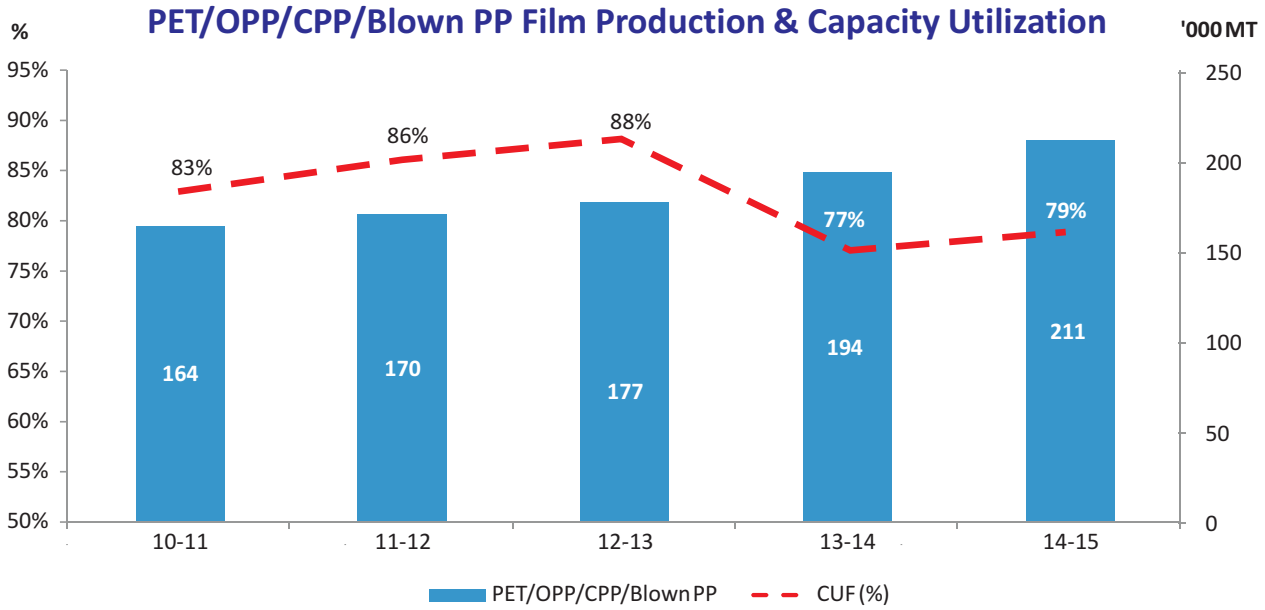


Business Segment-wise Breakup of Sales



During the year under review, there was a slight increase in the capacity utilization for base films due to sales ramp up of the thin PET film line in USA and the thick PET film line in Thailand which had started operations in the midst of a cyclical downturn. 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:

	2014-15			2013-14			
	(Rs. in Lacs)		% of Total Expenses	(Rs. in Lacs)		% of Total Expenses	Change (YoY)
Sales & Other Income	3 32,207	100%		3,20,930	100%		4%
Manufacturing Expenses	2,35,315	71%	74%	249,126	78%	75%	
Operating and other Expenses	56,684	17%	18%	58,910	18%	18%	
EBITDA	**40,207**	**12%**		**12,894**	**4%**		**212%**
Interest & Finance Charges (Net)	5,588	2%	2%	5,398	2%	2%	
Depreciation and Amortization	21,576	6%	7%	19,152	6%	6%	
Income Before Income Tax	**13,044**	**4%**		**(11,656)**	**–4%**		**212%**
Exceptional Gain / (Loss)	(4,775)	–1%		–	0%		
Provision for Income Tax	494	0%		(6,453)	–2%		
Net Income (Before Minority Interest)	**7,775**	**2%**		**(5,202)**	**–2%**		**249%**
Minority Interest	3,980	1%		(4,519)	–1%		
Net Income (After Minority Interest)	**3,795**	**1%**		**(683)**	**0%**		**655%**

During the year under review, increase in EBITDA is mainly on account of higher value additions in both PET as well as BOPP film and higher capacity utilization due to ramp up of sales volumes in PET film line in USA and Thick film line in Thailand. Further, unrealised foreign exchange fluctuation gain of Rs. 5,743 Lacs in current year, in comparison to unrealised foreign exchange fluctuation loss of Rs. 6,323 in previous year, on reinstatement of long term loans charged to profit & loss statement in overseas entities as per local accounting guidelines also contributed to increase in EBITDA

During the year under review, useful life of Fixed Assets in India has been revised in accordance with Schedule II of Companies Act, 2013, whereby additional depreciation of Rs. 980 Lacs had been charged to Profit & Loss. Exceptional loss of Rs. 4,775 Lacs is on account of sale of 100% controlling interest of Polyplex Resins Sanayi Ve Ticaret Anonim Şirketi (PR) in favour of Indorama Ventures Limited (IVL) during the year.

During the previous year, deferred tax assets were recognised in USA & Thailand.

1. Sales and Other Income

	2014-15 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	Change (YoY)
Sales & Operational Income	320,101	316,832	1%
Other Income	12,106	4,098	195%
Total	**322,207**	**320,930**	**4%**

Increase in top-line during year under review is contributed by additional sales volumes from production ramped up from new lines during previous year at overseas locations. This is partially set-off by decrease in the selling price of base films due to fall in raw material prices.

Other income is higher due to foreign exchange fluctuation gains (net) as against foreign exchange fluctuation losses incurred during the previous year, which was grouped under other expenses. Other income also includes interest income generated through deployment of surplus cash in low risk money market instruments and bank fixed deposits.

The break-up of Sales and Operational Income reveals 67% from Thin/Thick PET Film (67% in FY 2013-14), 4 % from PET Chips (5% in FY 2013-14), 11 % from Coating businesses (8% in FY 2013-14), 13% from BOPP films (13% in FY 2013-14), 5% from CPP films/other sales (7% in FY 2013-14).

2. Manufacturing Expenses

	2014-15 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	Change (YoY)
Raw Materials Consumed (Incl. Stock Accretion/Decretion)	193,924	209,824	–8%
Power & Fuel	21,736	19,807	10%
Packing Material Consumed	11,689	10,842	8%
Stores & Spares Consumed	5,916	6,569	–10%
Repairs and Maintenance	2,051	2,085	–2%
Total Manufacturing Expenses	**2,35,315**	**249,126**	**–6%**
as a % of Sales and Other Income	*71%*	*78%*	

Manufacturing expenses in absolute term have decreased by 6% and as a percentage of Sales and Other income decline from 78% in FY 2013-14 to 71% in FY 2014-15 due to sharp decrease in input raw material prices during the year under review which is partly set-off by increased volume.

Other manufacturing costs like power & fuel, packing cost, have increased mainly due to higher sales volumes. Store & spares and Repair & Maintenance expenses have declined during the period under review.

3. Operating and other Expenses

	2014-15 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	Change (YoY)
Personnel Expenses	26,746	24,571	9%
Administrative Expenses	13,656	12,270	11%
Selling Expenses	16,079	14,956	8%
Other Expenses	204	7,112	–97%
Total Operating and other Expenses	**56,684**	**58,910**	**–4%**
as a % of Sales and Other Income	*17%*	*18%*	

Operating and other expenses in absolute term have decreased by 4%. Other expenses during previous year include foreign exchange fluctuation loss (net) as compared to gain in year under review, resulting in significant negative variation of 97%.

Operating and other expenses like personal expenses, administrative expenses and selling expenses are higher - reflecting the impact of inflation and expanded scale of operations during the year.

4. Interest & Finance Charges

	2014-15 (Rs. in Lacs)	2013-14 (Rs. in Lacs)	Change (YoY)
Interest Expense	5,275	5,037	5%
Bank & Other Financial Charges	313	361	–13%
Total Interest and Finance Charges	**5,588**	**5,398**	**4%**
as a % of Sales and Other Income	*1.7%*	*1.7%*	

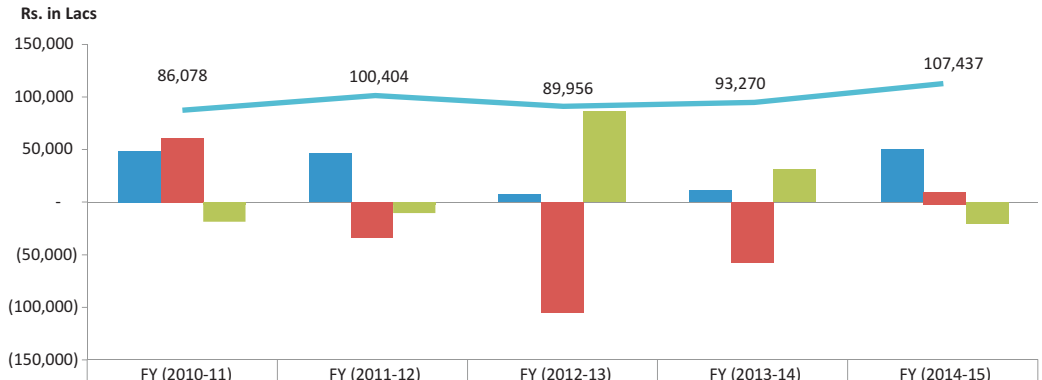
Financial expenses are higher than the previous year due to interest on loans availed against new assets which have been capitalized in past two years.

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 Rs. 1,27,219 Lacs (including unutilized working capital limits of Rs. 18,156 Lacs and liquid investment of Rs. 1,626 Lacs) as at the end of the reporting period.

Cash flows for last 5 Financial Years



	FY (2010-11)	FY (2011-12)	FY (2012-13)	FY (2013-14)	FY (2014-15)
Net Cash flow from Operating activities	48,690	46,254	7,178	11,353	37,601
Net Cash flow from Investing activities	61,101	(33,563)	(104,914)	(57,696)	8,433
Net Cash flow from Financing activities	(18,520)	(10,258)	86,214	31,060	(23,431)
Total Cash & Cash equivalent at the end of the year	86,078	100,404	89,956	93,270	1,07,437

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 Rs. 37,601 Lacs on account of better margins, expanded scale of operations and realisation of net working capital invested in business, which is partly offset by marginal higher operating costs.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of Rs. 15,688 Lacs in FY 2014-15 (Rs. 60,706 Lacs in FY 2013-14), mainly towards on-going projects at various locations. Inflow of Rs. 16,885 Lacs is due to 100% stake sale in a subsidiary company in Turkey as mentioned above. Interest and dividend income during the year is Rs. 1,988 Lacs (Rs. 2,444 Lacs in FY 2013-14).

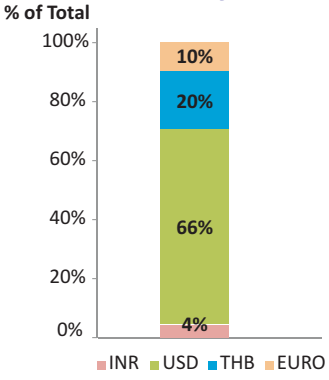
Cash flow from financing activities

During the year a net amount of Rs. 17,066 Lacs was repaid (after accounting for fresh borrowing) against long-term and short-term debt (Rs. 37,359 Lacs net borrowing in 2013-14). Interest paid during the year was Rs. 5,726 Lacs (Rs. 5,350 Lacs in 2013-14). The Company paid dividend (including distribution tax) of Rs. 639 Lacs in FY 2014-15 (Rs. 949 Lacs in 2013-14).

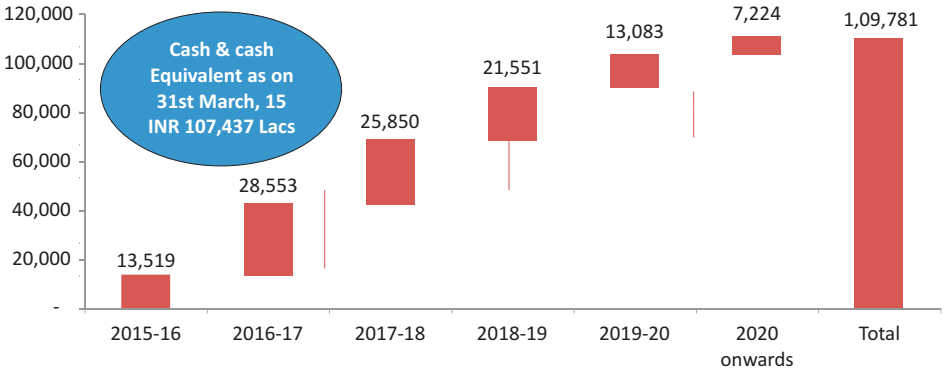
6. Debt Profile

Total debt as on March 31, 2015 is Rs. 165,444 Lacs, a decrease of Rs. 42,417 Lacs over previous year (Rs. 207,862 Lacs). This is mainly due to scheduled principal repayments and some prepayments in Group companies.

Total Debt: - 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:

- Embracing environment friendly Technology: One Polyester film line in Khatima, India has been converted to Twin screw technology which lead to substantial energy saving and waste reduction.
- Switchover from Furnace Oil to Husk feed for oil heating in Indian operations leads to reduction in green house gases.
- Regular monitoring of carbon footprint at all manufacturing locations.
- Special recycling unit in Thailand is in operation which provided sustainable solution for plain as well as processed (metallized) waste.
- Successful development of Green PET film with a significant proportion of bio sustainable inputs and/or usage of recyclate.
- Replaced PVC twist wrap in confectionary industry with green wrap PET film.
- Replaced aluminium foil with metallised barrier PET film in food packing along with cost reduction.

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–Bazpur	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	Under Process	Certified since Sept'2014

In USA, for some of these certifications, the process is underway 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 Bazpur, 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 P.P.P. (Public Private Partnership) model at Bazpur 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 will focus on delivering a positive impact across social, economic and environmental parameters. A detailed report on CSR expenditure is provided in Directors' Report.

INNOVATION

Polyplex Innovation Center (PIC) has adopted a "Lean Innovation Model" which aims to create value for the customer through product development and innovative solutions.

The Company has a defined customer engagement process to align innovations with customers' requirements through:

- **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. The Company has structured Customer engagement initiative around V+ (value plus),W2(win–win), P1 (Power of One) concepts.

- **Initiatives resulting in Growth:** 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 PET and PP based products.

The Company has successfully adopted 3R's (Reduce, Reuse and Recycle) concept for sustainable packaging solutions.

PIC has developed in house chemical recycling process for recycling waste generated in production process which has added value towards environmental commitments. Polyplex sustainable products includes transparent chlorine free high barrier films, uncoated colored films, direct UV printable carton lamination films, shrink sleeve wrap and label films.

Polyplex specialty products include high barrier, high metal adhesion, transparent barrier, sterilizable, offline specially coated PET films and specialized films for print media suitable for direct digital printable and UV inks etc.

HUMAN RESOURCES

The Company continues to invest in the development of its leadership, managerial and technical capabilities and to improve the quality of worklife of its employees. The current manpower base is about 1800.

In order to systematically develop talent pipeline for leadership positions from within, mentoring process continued for identified future leaders at the group level. Another group of 15 young leaders, mostly inducted during last 12-24 months, were also included in this process. To provide further impetus, for the last three years resources are being hired directly from premier engineering colleges and management institutions.

In order to leverage synergy and horizontal deployment of best practices at the Group level several initiatives were taken. Some of them are as below:

- Integration of plant operations of Khatima and Bazpur;
- vertical and horizontal compression of the organization for improving the speed of execution and higher accountability;
- deployment of right resources for the right role for improving overall performance;
- right sizing and right profiling for improving cost competitiveness;
- providing greater opportunities to resources who have the proven track record of performance and have potential to take higher responsibility and critical leadership role; and
- Improving effectiveness through direct communication to the direct manpower.

The scope of Process Based Organization (PBO) was expanded from Bazpur to Khatima, India. Systematic approach to people development at the operating level continued at the Group level. There was a marked improvement in attrition level across the Group level helping the organization retain the critical resources.

Implementation of IT enabled Human Resource Information System (HRIS) has helped in improving greater transparency, higher speed of execution, employee empowerment and elimination of non-value added activities. This will help create greater visibility and better administration of HR related issues at the group level.

Industrial relations (IR) have been peaceful at all the units.

INFORMATION TECHNOLOGY

During the year under review, IT enablement initiatives were undertaken for automation and optimization of manual processes. The Company developed and deployed tools for empowering marketing and technical service teams. The Company is also working on web based training and development portal for employees to improve their knowledge and skills in the areas relevant for different operations.

The Company has invested in IT Asset Inventory, Monitoring and Service Desk tools to improve IT support service processes. During the last year the Company also undertook upgrade of older network components and firewalls to contemporary standards. The Company is also actively utilizing hybrid cloud model to provide better infrastructure in global service applications in the area of email communication and human resources.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company believes that Internal Control is an essential element for the principle of Corporate Governance. It remains committed in ensuring an effective Internal Control environment that provides assurance that there is a structured system for:

- Ensuring Statutory Compliance framework and its effectiveness
- Review of business plans and goals
- Evaluating & managing risks
- Safeguarding company's assets against unauthorized usages
- Prevention and detection of fraud and error
- Compliance of Policies and Delegation of authorities

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

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

FUTURE OUTLOOK & PLANNED INVESTMENTS

Exceptionally high margins in 2010/2011 had attracted a lot of new investments in the PET film business. Even for the next 24 months, additions to global capacity are expected to be higher than the growth in demand mainly in Asia, and hence the current situation of oversupply is expected to remain for another 2-3 years. New entrants from China have been increasingly dominating the market for PET film in the last 2-3 years, and may pose challenge to the global economy.

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

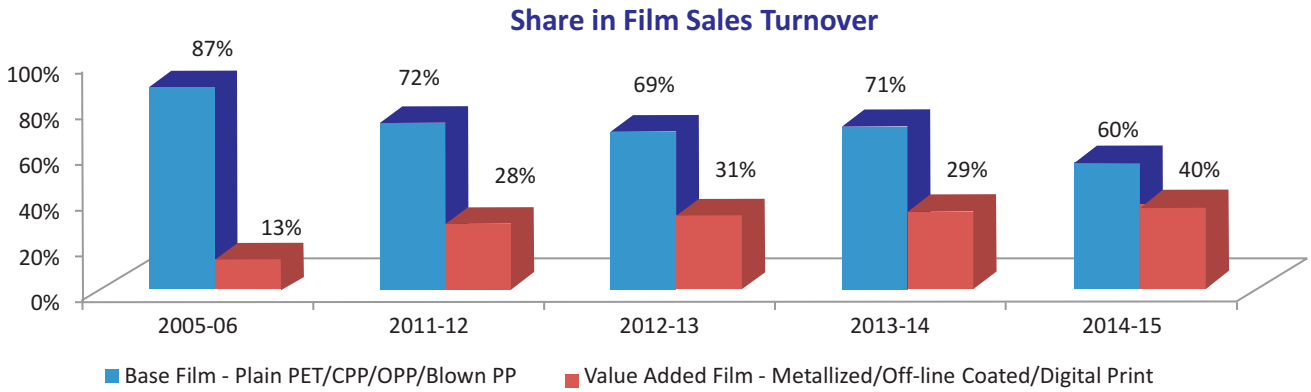
Risk Management is a central part of the Company's strategic management. It is a process by which business risks are identified, analyzed, engineered, reduced, eliminated or transferred. Effective risk management ensures continuity of the Company's operations and protection of the interests of its stakeholders. The risk can result from factors both external and internal to the Company.

Competition & Business Cycles

The industry cycle of PET film hinges on the spread between the PET film price and the prices of PTA and MEG which are major raw materials. Whenever the demand supply balance favors the suppliers, the PET film and raw material price spread usually widens, thereby encouraging the manufacturers to increase production by expanding their capacities. On the contrary, if PET film supply is larger than market demand, the film prices will drop, hence narrowing the spread between the film and raw material prices. This cyclical nature inevitably affects every producer's revenues and profits. Post 2010-11 aberration, a lot of capacities were added in the PET film industry. This has created an imbalance in the demand supply scenario and has put pressure on the selling prices, thereby contracting the margins. The 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.
- 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.
- Continuous and focused efforts are made for increasing the proportion of specialty/value added product revenues through investment in additional metallizers and coaters. A historical trend is given below:



Volatility in Commodity Prices

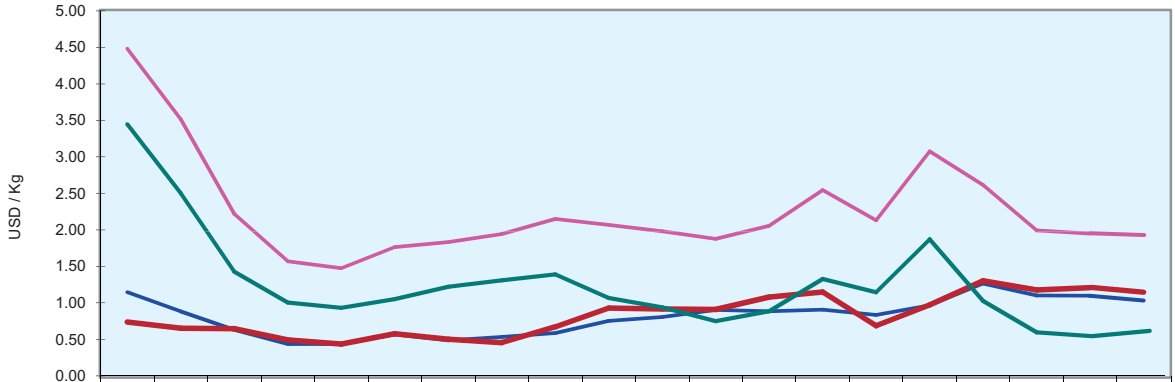
The basic raw material for production of PET film is PET resin, which in turn is produced from Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG).

Cost of resin is the single largest component of the total production cost of Polyester film and any adverse fluctuation in the resin cost 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 2014-15, the thin PET film industry continued to witness a significant over supply situation, brought about by the additional supplies which came into the market following extraordinary high margin levels witnessed in FY 2010-11. There was pressure on the selling prices due to the oversupply situation. The PET film industry witnessed a steep fall in raw material prices in the second half of FY 2014-15 due to the fall in crude prices globally, which has been passed on to the customer.

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:



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	1.92
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	0.94
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	1.03
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	0.71

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. As can be seen from the above table, fall in PTA & MEG prices in the year 2014 resulted in fall in selling price of PET film. Thus, the spread between the raw material and PET films, especially over the last few years, has moved in a band. 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 this reduces the overall portfolio risk.

Trade Defense Measures

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

Anti-dumping duty (AD) 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 duties (CVD) are tariffs levied on imported products to offset subsidies made to exporters of those products in the exporting country. Such tariff measures result in an increase in the delivered price of the imported products, 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 sunset review conducted by the US Department of Commerce, AD duty on Brazil has been revoked, though duties on China & UAE would continue to prevail. As per the last administrative review, the AD duties on China and UAE are in the range of 11.49% to 76.72%.

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 rate of 0.78% and CVD rate 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. The Anti Dumping duty on other Indian producers is in the range of 0% - 6.81% and CVD rate is in the range of 2.03% - 65.59%. Over the last few years, 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. As per the recent anti dumping investigation by Brazil on imports of PET Films from China, Egypt and India, the injury to domestic industry has been determined and anti dumping duties have been imposed. The AD duty on Polyplex India is USD 255.5/MT. The duties imposed on China, Egypt & India are in the range of USD 222.15/MT to 946.36/MT. A new CVD case has also been initiated by the Brazilian government on imports from India.

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

In July 2014, an anti-circumvention inquiry was filed on imports of PET film into USA from Bahrain on the grounds that Bahrain is circumventing the antidumping order on PET Film from UAE. As per the final determination by the Department of Commerce, circumvention has not been established.

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 2014 and is expected to improve further in 2015-16. 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.

Liquidity implies ability of the Company to meet its obligations and to finance its future investments. Higher debt- equity or lower debt service coverage could limit the investment capacity of the Company. Generally if the cost of debt is lower than the return on investments, by increasing the financial leverage, one can enhance the return on equity. However, since there is an obligation to make fixed interest and principal repayments on debts, an increase in leverage in the case of volatile operating cash flows could strain the cash availability with the company. Also, higher debt could limit the ability of the company to finance its further investments. In those cases, one needs to look at internal accruals and equity infusion.

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 Rs. 1,27,219 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 the significant expansions in last couple of years, the Company maintains adequate liquidity and ensures debt levels remain within prudent norms of leveraging.

Despite significant borrowings in last couple of years for the various projects, the net debt-equity ratio at the end of the FY 2014-15 is quite comfortable at 0.21.

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 stakeholders' interest in each location and since cash flows are not freely transferable between group entities.

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 66% of the debt profile, followed by THB borrowings which contribute 20% and balance of 10% in Euro and only 4% in INR. 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.

During the FY 2014-15, Euro has continuously declined. Structurally, being based in Turkey with reporting currency as Euro, this has made us more competitive in Europe as compared to USD imports but in terms of the impact on consolidation, there has been a substantial impact on Foreign Currency Translation Reserves (FCTR) of Rs. 19,080 Lacs due to significant Euro depreciation.

Interest rate risk is the risk borne by interest bearing debt and investments, due to variability in interest rates. In case of financing done at floating rates, as the interest rates changes, cost of borrowing also changes, thus impacting the cash flows. There are various reasons for interest rate changes like ecomonic growth, inflation expectations, unemployment etc. All these factors are external and uncontrollable. In order to have a more balanced loan portfolio and taking into account the cost benefit analysis, the Company has shifted some of its floating rate debt to fixed rate through interest rate swaps.

Credit Risk

Credit risk refers to the risk of non-payment by the debtors. This risk increases in case of unsecured or open payment terms. The average credit period of the Company during FY 2014-15 was 45 days as compared to 46 days in FY 2013-14. The risk is secured either through trade instruments or credit insurance. During the year, the Company has significantly improved its coverage under 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 1698 in FY 2014-15 with low concentration as evidenced by 27% of the total revenues in FY 2014-15 being contributed by the top 10 customers of which about half is from large distributors with a diversified end customer base.

Though the global economy is on the path of global recovery a strong internal credit risk management policy has enabled us to manage credit risk prudently. In terms of recovery, globally the economies continues to follow a moderately accelerating trend. Slight improvements are expected both in advanced countries and in emerging countries.

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 products 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.

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 fortune for the parent Company in India is 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, Turkey & USA for a long time, 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 insignificant effect on business activities. In the event these problems escalate, there may be some impact for a short duration. However, no adverse long term impact is envisaged.

Regulatory Risk

Regulatory Compliance is a key consideration for our Industry. In order to ensure the safety of food that is packaged and consumed, there are extensive food contact regulations that are put in place by various regulatory bodies like US Food & Drug Administration (FDA), EEC Directives etc. The Company confirms that its products are compliant to FDA & EEC directives for food packaging applications.

Environment & Sustainability Risk

Indian Packaging Industry is prone to certain environment and sustainability risks.

An application has been filed before National Green Tribunal that the use of BOPP/PET based packaging material causes significant health and/or environmental impact. This application then seeks relief through a outright ban on usage of such packaging material among other measures.

The Industry Association as well as several other interested parties have submitted that BOPP/PET based packaging material is safe for food packaging and enhances the shelf-life of the food products packed in it. It is also convenient for handling as it occupies lesser space and has lower weight as compared to other packaging such as glass, tin, paper etc. The film is also recyclable. It does not have any hazardous chemical and is compliant with EEC directives and FDA regulations. Thus, the Company is confident that though the case has been filed, its products are superior and safe for packaging of food articles and consumable commodities.

The Industry is also subject to plastic waste management rules which restrict the manufacture and the use of plastic carry bags and for setting up of plastic waste management system by the municipal authorities. The concerned ministry has come out with draft revised rules which provide for certain stringent provisions related to usage of multi layer plastic packaging. Our industry association besides several other interested parties are in the process of providing their comments on the draft rules and represent strongly on the merits of usage of plastic packaging in general.

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 Thirtieth Annual Report and Financial Statements for the year ended March 31, 2015.

FINANCIAL HIGHLIGHTS AND OPERATIONS

During the year Standalone performance of the Company was as under:

(Rs. in Lacs)

Particulars	2014-15	2013-14
Gross Revenue	1,06,949.55	1,14,146.20
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	11,593.09	11,702.99
Less : Finance Costs	1,620.42	2,019.33
Less : Depreciation & Amortisation	7,688.93	7,321.72
Profit before Tax and Exceptional Item	2,283.74	2,361.94
Add: Exceptional Item- Gain/ (Loss)	–	–
Profit before tax but after exceptional item	2,283.74	2,361.94
Less/(Add):Tax expense & prior period adjustment	289.92	(898.78)
Profit after Tax (PAT)	1,993.82	3,260.72
Add : Surplus brought forward	28,806.59	26,621.28
Add: Corporate Dividend Tax written back	108.72	–
Profit available for Appropriations	30,909.13	29,882.00
Appropriations:		
Transfer to General Reserve	199.38	327.00
Proposed Final Dividend	799.62	639.69
Corporate Dividend Tax	27.90	108.72
Balance surplus carried to Balance Sheet	29,882.23	28,806.59

Consolidated Working Results (Under Indian GAAP)

(Rs. in Lacs)

Particulars	2014-15	2013-14
Gross Revenue	3,32,206.84	3,20,930.10
Profit before Finance Cost, Depreciation & Amortisation and Tax and Exceptional Items	40,207.36	12,894.39
Less : Finance Costs	5,587.66	5,398.50
Less : Depreciation & Amortisation	21,575.60	19,151.59
Profit/ (Loss) before Tax and Exceptional Item	13,044.10	(11,655.70)
Add : Exceptional Item - Gain /(Loss)	(4,774.79)	–
Profit/ (Loss) before tax but after exceptional item	8,269.31	(11,655.70)
Provision for tax & prior period adjustment	494.38	(6,453.40)
Profit/ (Loss) after Tax before Minority Interest	7,774.93	(5,202.30)
Less : Minority Interest	3,980.19	(4,518.91)
Profit/ (Loss) after tax and Minority Interest	3,794.74	(683.39)
Earnings Per Share (of Rs.10/- Each) (Rs.) (Basic)	11.86	(2.14)
Earnings Per Share (of Rs.10/- Each) (Rs.) (Diluted)	11.86	(2.14)

Year in Retrospect

During the year under review revenues (Net of Excise Duty) declined from Rs. 1,11,864 Lacs to Rs. 1,05,203 Lacs, due to softening of the raw material prices from second half onwards, while maintaining capacity utilization at the same levels. In terms of requirements of Schedule II of Companies Act, 2013, the useful life of existing fixed assets was revised and additional depreciation of Rs. 980 Lacs has been charged to Profit & Loss Account. Profit after Tax for the year was lower at Rs. 1994 Lacs as compared to Rs. 3,261 Lacs (including reversal of deferred tax of Rs. 863 Lacs) during the preceding year.

During the year Company commissioned Off-line Coater at Bazpur and Rice Husk Heater at Khatima and twin screw extruder at aggregate capital expenditure of Rs. 4,987 Lacs.

During the year under review consolidated operations increased from Rs. 3,17,223 Lacs to Rs. 3,20,416 Lacs (Net of Excise Duty). Increase in revenue is mainly attributable to ramp up of capacity at Thailand and US locations for film plants and simultaneous decline in raw material prices. During the year there is Foreign Exchange Fluctuation Gain of Rs. 7,858 Lacs as against Foreign Exchange Fluctuation Loss of Rs. 6,725 Lacs during the previous year. In addition, there is an exceptional loss of Rs. 4,775 Lacs on account of sale of 100% stake in Polyplex Resins Sanayi Ve Ticaret Anonim Sirketi, Turkey, by subsidiaries. Profit after Tax (after minority interest) is Rs. 3,795 Lacs as against Loss of Rs. 683 Lacs in the preceding year.

Dividend and Transfer to Reserves

Your Board has recommended a Final Dividend of Rs. 2.50 per share, which would be paid after its declaration by the members in the ensuing Annual General Meeting.

The Board of Directors have transferred a sum of Rs.199.38 Lacs from the current year's profit to General Reserves.

Change in the nature of business, if any

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

Material Changes and Commitments

There are no material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the company to which financial statements relate and on the date of this report.

Management Discussion and Analysis Report

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a detailed 'Management Discussion & Analysis Report' (MDA) is presented in a separate section forming part of the Annual Report.

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

Subsidiary Companies

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

Polyplex Resins Sanayi Ve Ticaret Anonim Sirketi, Turkey ceased to be a subsidiary during the year w.e.f. 2nd March, 2015.

As required by Section 129 of the Companies Act, 2013, and other applicable Laws, Consolidated Financial Statement of the Company and its subsidiaries are prepared in accordance with applicable Accounting Standard(s) issued by Institute of Chartered Accountants of India (ICAI) of India, forms part of the Annual Report. A separate statement containing the salient features of the Financial Statements of the subsidiary companies in Form AOC-I is attached to the Financial Statements and forms part of the Annual Report.

Performance of various subsidiaries is discussed in detail in MDA.

The Financial Statement of the subsidiary companies will be made available on request and will also be kept at the Registered Office of the Company for inspection by any member of the Company.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 ('the Act') are given in the notes attached to Financial Statements.

Deposits from public

The Company has not accepted any deposit from public during the financial year 2014-2015. There were no unclaimed deposits as at March 31, 2015.

Directors' Responsibility Statement

As required under Section 134(3) of the Act, in relation to the Financial Statements for the Financial Year 2014-15, the Board of Directors state that :-

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

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2015 and of the profit of the Company for the year ended on March 31, 2015;

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Independent Directors and Declaration by Independent Directors

During the year four Independent Directors viz. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana and Ms. Pooja Haldea served on the Board of the Company. All the Independent Directors have given the requisite declaration that they meet the criteria of independence as prescribed under the Act and Clause 49 of the Listing Agreement.

Ms. Pooja Haldea was appointed as an Additional Director w.e.f. March 30, 2015 in the Independent Directors category and holds office upto the ensuing Annual General Meeting. The Board of Directors on the recommendations of Nomination and Remuneration Committee have proposed to appoint her as an Independent Director upto March 29, 2020.

Non-Independent Directors and Directors Retiring by Rotation

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

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

Mr. Pranay Kothari's term as Whole Time Director designated as Executive Director (KMP) is upto September 6, 2015. The Board of Directors on the recommendations of Nomination and Remuneration Committee have proposed to reappoint him for a term of three years w.e.f. September 7, 2015 on the terms and conditions contained in the resolution contained in the Notice of ensuing Annual General Meeting.

A brief resume and other relevant details of the Directors proposed to be appointed/reappointed are given in the Explanatory Statement to the Notice convening ensuing Annual General Meeting.

Key Managerial Personnel

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

Number of meetings of the Board

During the Financial Year 2014-15, six meetings of the Board were held and the gap between two meetings was not more than 120 days. Details about the attendance at these meetings are given in the Corporate Governance Report attached.

A separate meeting of the Independent Directors was held on August 7, 2015, without the attendance of non-independent directors and members of management.

Policy on Directors Appointment and Remuneration

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

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

Appointment of Independent Directors must satisfy the criteria laid down under the Act and the Listing Agreements with Stock Exchanges.

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

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

Board, Committees and Directors Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements prescribed under Clause 49 of the Listing Agreements.

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

a) Degree of achievement of key responsibilities.

b) Structure and Composition.

c) Establishment and delineation of responsibilities to Committees.

d) Effectiveness of Board processes, information and functioning.

e) Board culture and dynamics.

f) Quality of relationship between Board and Management.

g) Efficacy of communication with external stakeholders.

The performance of individual directors was evaluated on following criteria :

a) Participation at Board/ Committee Meetings.

b) Knowledge and Skill.

c) Managing Relationships.

d) Personal Attributes.

Independent Directors of the Company in their separate meeting held on August 7, 2015 reviewed the performance of non-independent directors and the Board as a whole as also the performance of Chairperson of the Company.

Managerial Remuneration

Disclosures pertaining to Managerial Remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the Annexure A and B as also in the Corporate Governance Report.

Board Committees

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

Audit Committee

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

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

Corporate Social Responsibility (CSR) Initiatives

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

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

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

Corporate Governance

Corporate Governance Report forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is attached.

Whistle Blower Policy – Vigil Mechanism

The Company has formulated Whistle Blower Policy in line with the provisions of the Sub-sections 9 and 10 of Section 177 of the Act and the Clause 49 of the Listing Agreement. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

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

AUDITORS

Statutory Auditors

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

In the Auditors Report to the members for the year 2014-15 there are no qualifications, reservations or adverse remarks or disclaimers requiring any explanation.

Internal Auditors

The Board of Directors on the recommendations of the Audit Committee have approved the reappointment of M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2015-16.

Cost Auditors

The Board of Directors on the recommendations of the Audit Committee have approved the appointment of M/s. Sanjay Gupta & Associates, Cost Accountants as Cost Auditors to audit the Cost Records of the Company for the Financial Year 2015-16 in respect of products manufactured by the Company falling under Central Excise Tariff Heading 3907 and 3920. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members. Accordingly, a resolution seeking ratification of the remuneration payable to M/s Sanjay Gupta & Associates by the members has been included in the Notice convening the 30th Annual General Meeting.

Secretarial Auditors

The Board of Directors have approved the appointment of M/s. R S M & Co., Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2014-15. Secretarial Audit Report received from them is annexed herewith as attached and marked as Annexure D.

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

Other Statutory Information

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

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

Extract of Annual Return

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

Related Party Transactions

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

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

The details of the transactions with Related Parties are provided in the accompanying financial statements.

Risk Management

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

Internal Financial Control

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

Significant and material orders

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

Human Resources

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

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

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

Listing of Shares and Depository System

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

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

Acknowledgement

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

For and on behalf of the Board

Place : Noida
Date : August 14, 2015

Sanjiv Saraf
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE-A

Statement showing particulars of employees of the Company required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board of Directors Report for the year ended March 31, 2015

Sr No.	Name	Designation	Date of Birth	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (Rs)	Last Employment
1	Mr. Kapil Gupta	Sr. Vice President (Profit Centre Head, India)	20-Oct-58	56	B.E.(Chem), PGDM (IIM, Ahm)	18-Jul-11	33	1,00,48,544	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey, Profit Centre Head
2	Mr. Pranay Kothari	Executive Director	06-Feb-59	56	FCA, CS	01-Aug-85	30	2,07,59,835*	Optima Consultants Private Limited, Consultant
3	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	21-Oct-66	48	BE (Mech.), M.Tech (Industrial & Mgmt. Eng.), IIT-K	01-Aug-06	25	98,20,300	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey, Plant Head
4	Mr. Manish Gupta	Chief Financial Officer	02-Dec-68	47	B.Com (Hons), MBA (Finance) IIM, Bangalore	01-Aug-08	24	71,74,009	Polyplex (Thailand) Public Company Limited, General Manager-Commercial

Notes:

1. Remuneration includes salary, performance award, actual expenditure incurred in connection with the residential accommodation or HRA, reimbursement of medical expenses, LTA, contribution to Provident Fund and Superannuation Fund and value of perquisites calculated in accordance with the rules framed under the Income Tax Act, 1961.
2. None of above employees hold more than 2% of the paid up capital of the Company in his own name or is a relative of any Director.

* Above Remuneration does not include a sum of Rs.49,65,733/- pertaining to Financial Year 2013-14, released during 2014-15, pursuant to receipt of approval of Central Government under Section 309 of the Companies Act, 1956 vide approval letter dt. August 11, 2014.

Place : Noida
Date : August 14, 2015

Sanjiv Saraf
Chairman

ANNEXURE-B

PARTICULARS OF REMUNERATION

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

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

Name of the person	Ratio to Median Remuneration
Non-Executive Director Mr. Sanjiv Saraf	8.99
Executive Director Mr. Pranay Kothari	74.67

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

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

Name of the person	% Increase in remuneration
Non-Executive Director Mr. Sanjiv Saraf	4.17
Executive Director Mr. Pranay Kothari	20.77
Key Managerial Personnel Mr. Manish Gupta (CFO) Mr. Ashok Kumar Gurnani (CS)	 (1.04) 7.67

Above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/Committees at the rate of Rs. 20,000 per meeting of the Board or Committee thereof. Since last year there is no change in the amount payable for sitting fee.

(iii) The percentage increase in the median remuneration of employees in the Financial Year :

Remuneration of median employee increased by 11.66% during the year.

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

As on March 31, 2015, total number of employees were 755.

(v) The explanation on the relationship between average increase in remuneration and company performance:

During the year 2014-15, employees on an average received an increase of 3.26%.

Management ensures company performance is kept in mind while deciding increase in remuneration to employees.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Particulars	Rs. in Lacs
Remuneration of Key Managerial Personnel (KMP) during Financial Year 2014-15 (aggregated)	318.64
Revenue from Operations	105,202.92
Remuneration (as % of Revenue)	0.30%
Profit before tax (PBT)	2,283.74
Remuneration (as % of PBT)	13.95%

(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current Financial Year and previous Financial Year:

Particulars	Unit	As at March 31, 2015	As at March 31, 2014	Variation %
Closing rate of share at NSE	Rs.	188.95	154.15	22.57%
EPS (Standalone)	Rs.	6.23	10.19	-38.86%
Market Capitalisation	Rs./Lacs	60,434.90	49,304.26	22.57%
Price Earning Ratio	Ratio	30.33	15.13	100.46%

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

Average increase in the remuneration of median employee was 11.66% as compared to average increase of 13.44% in the remuneration of managerial personnel.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

(Rs. in Lacs)

Particulars	Whole Time Director	Chief Financial Officer	Company Secretary
Remuneration	207.59	71.74	39.30
Revenue (from operations)	105,202.92	105,202.92	105,202.92
Remuneration (as % revenue)	0.197	0.068	0.037
Profit before Tax (PBT)	2,283.74	2,283.74	2,283.74
Remuneration (as % of PBT)	9.09	3.14	1.72

(x) The key parameters for any variable component of remuneration availed by the directors:

Non-Executive Directors are paid sitting fee for attending the meetings. In addition Mr. Sanjiv Saraf, a Non-Executive Director has also been paid commission not exceeding 1% p.a. of the net profits of the Company, as approved by the Members in the General Meeting.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

There is no employee in the company drawing remuneration more than that drawn by the highest paid director.

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

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

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

For and on behalf of the Board

Place : Noida
Date : August 14, 2015

Sanjiv Saraf
Chairman

ANNEXURE-C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR REPORT)

1. **A brief outline of the Company's CSR Policy, including the overview of Projects or Programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs :**

   The Company has framed a CSR Policy in accordance with the provisions of the Section 135, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

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

2. **The Composition of the CSR Committee :**

   Mr. Sanjiv Saraf, Chairman (Non Independent, Non Executive, Promoter Category).

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

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

3. **Average Net Profits of the Company for the last three years :**

   Rs. 2,577.51 Lacs.

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

   Rs. 51.55 Lacs.

5. **Details of CSR Spent during the financial year (2014-15) :**

   (a) **Total amount to be spent for the financial year :**

   Rs. 51.55 Lacs.

   (b) **Amount unspent, if any :**

   Rs. 49.36 Lacs.

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

   As per Annexure attached.

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

   The Company was unable to fully spend the CSR expenditure due to the fact that this was the first year of CSR implementation and required time to identify and detailing of relevant projects, conducting baseline surveys and planning the implementation which led to the shortfall in spending.

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

   CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : Noida
Date : August 14, 2015

Sanjiv Saraf
Chairman of CSR Committee

Annexure to CSR REPORT

S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (Rs.)	Cumulative expenditure upto the reporting period (Rs.)	Amount spent: Direct or through implementing agency (Rs.)
1.	Promoting Healthcare	Promoting health care including preventive health care	Contribution to Multiple Sclerosis Society of India, Delhi Chapter, an NGO	25,000	25,000	25,000	25,000
2.	Promoting Healthcare	Promoting health care including preventive health care	Contribution to Dinanath Khemka SewaKosh, an NGO	50,000	50,000	50,000	50,000
3.	Promoting Education	Promoting Education	Contribution to Udayan Care, an NGO	1,44,000	1,44,000	1,44,000	1,44,000
	Total			**2,19,000**	**2,19,000**	**2,19,000**	**2,19,000**

Place : Noida
Date : August 14, 2015

Sanjiv Saraf
Chairman of CSR Committee

ANNEXURE-D

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board / Processes and Compliance / Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2015 according to the provisions of :–

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

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

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

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

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

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

   (iv) Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;

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

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

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

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

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

   (i) Secretarial Standards issued by the Institute of Company Secretaries of India. **(Not notified hence not applicable to the company during the audit period).**

   (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

9. We further report that:-

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

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

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

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

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

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

    (ii) Redemption / Buy-back of Securities;

    (iii) Merger / Amalgamation / Reconstruction etc.;

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

For RSM & CO.
Company Secretaries

RAVI SHARMA
PARTNER
FCS NO. 4468, C.P. NO. 3666

Dated : August 14, 2015
Place : New Delhi

ANNEXURE A TO SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable Laws, rules and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RSM & CO.
Company Secretaries

RAVI SHARMA
PARTNER
FCS NO. 4468, C.P. No. 3666

Dated : August 14, 2015
Place : New Delhi

ANNEXURE-E

ANNEXURE TO THE DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY:

(i) Steps taken or impact on conservation of energy :

(a) Regular Energy audit was conducted to improve energy efficiency in various processes.

(b) Installed VFD at pumps and AHU Fans to regulate the speed as per requirement.

(c) Reducing idle running of in-line and off-line grinders through automatic interlock with Film Break.

(ii) Steps taken by the company for utilising alternate sources of energy and capital investment made on energy conservation equipments :

(a) Replacement of conventional lights with LED.

(b) Husk Heater successfully commissioned during the year at Khatima plant.

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

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption :

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

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

In house R&D was carried to develop various Specialty PET films like Hydrolysis Resistant PET films, Alox based PET films, Digital printable, High barrier PET films etc. during the year and are commercialized.

As a result new products were added to Company's portfolio and also entered in new application segments like Photo Voltaic (PV), Print medium and Special Packaging/ Industrial segments.

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

(a) the details of technology imported : Nil

(b) the year of import : N.A.

(c) whether the technology been fully absorbed : N.A.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A.

(iv) Expenditure incurred on Research and Development :

Revenue expenditure on R&D incurred during the year : Rs. 256.28 Lacs (Previous Year : Rs. 243.65 Lacs). Capital expenditure on R&D incurred during the year : Rs. 0.79 Lacs (Previous Year : Rs. 0.03 Lacs). Total R&D expenditure as a percentage of total turnover is 0.24%.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

– Earned : Rs. 24,001.18 Lacs (Previous Year : Rs. 27,029.81 Lacs)

– Used : Rs. 8,394.70 Lacs (Previous Year : Rs. 6,787.57 Lacs)

ANNEXURE-F

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

(as on the financial year ended on March 31, 2015)
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i	CIN	L25209UR1984PLC011596
ii	Registration Date	18-October-1984
iii	Name of the Company	POLYPLEX CORPORATION LIMITED
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India Phone-05943-250136, Fax: 05943250281
vi	Whether listed company	Yes
vii	Name, Address and contact details of the Registrar and Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower-B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Tel. : +91-40-67162222 Fax : +91-40-23001153 Tollfree No.: 1800-345-4001 Email : einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

	Turkey, Karamehmet Mah. Avrupa Serbest Bolgesi, Turkey				
5	Polyplex Trading (Shenzhen) Company Ltd. Room No. 1309, Block A, Galaxy Century Building, Caitian Road, Futian District, Shenzhen, Peoples Republic of China	Foreign Company	Subsidiary Company	51.00	2(87)
6	PAR LLC 12200, Ford Road, Sweet 20210 A, Farmers Branch, Texas-75234,USA	Foreign Company	Subsidiary Company	100.00	2(87)
7	Polyplex America Holdings Inc. Corporation Trust Centre, 1209, Orange Street, Wilmington, New Castle County, Delaware-19801	Foreign Company	Subsidiary Company	51.00	2(87)
8	Polyplex USA LLC 3001, Mallard Fox Drive N W, Decatur, Alabama-35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
9	EcoBlue Limited* 60/91, Moo 3 Siam Eastern, Industrial Park, Marbyangporn, Sub-district, Plauk Daeng District, Rayong, Thailand	Foreign Company	Subsidiary Company	40.80	2(87)
10	Peninsula Beverages and Foods Company Private Limited Plot No.40, New Mandakini, Greater Kailash-IV, New Delhi-110019, India	U15200DL2011 PTC219226	Subsidiary Company	100.00	2(87)
11	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi Muhittin Mahallesi Cetin Emec, Bulvari, Acun Sokak, Cemil Bayram, Apt. No.7/1, Corlu/Tekirdag, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)
12	Polyplex Europe BV Strawinskylaan 1749, WTC, Toren D, 12e 1077XX, Amsterdam, Netherlands	Foreign Company	Subsidiary Company	51.00	2(87)
13	Polyplex Resins Sanayi Ve Ticaret A.S Turkey** Karamehmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No. 2 Ergene, Tekirdag, Turkey	Foreign Company	Subsidiary Company	67.17	2(87)

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

** Ceased to be subsidiary of the Company w.e.f. 2nd March, 2015.

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/Hindu Undivided Family	–	–	–	–	–	–	–	–	–
b) Central Government	–	–	–	–	–	–	–	–	–
c) State Government(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporates	1,802,202		1,802,202	5.63	1,802,202		1,802,202	5.63	0.00
e) Financial Institutions/ Banks	–	–	–	–	–	–	–	–	–
f) Any other (Director and their relative)	60	–	60	–	60	–	60	–	–
SUB TOTAL : (A)(1)	**1,802,262**	**–**	**1,802,262**	5.63	**1,802,262**	**–**	**1,802,262**	5.63	–
(2) Foreign									–
a) Individuals (Non Resident Individuals/ Foreign Individuals)	–	–	–	–	–	–	–	–	–
b) Bodies Corporates	13,158,134	–	13,158,134	41.14	13,158,134	–	13,158,134	41.14	–
c) Banks/Financial Institutions	–	–	–	–	–	–	–	–	–
d Any other (Directors and their relatives)	50,138	–	50,138	0.16	50,138	–	50,138	0.16	–
SUB TOTAL (A) (2)	**13,208,272**	**–**	**13,208,272**	41.30	**13,208,272**	**–**	**13,208,272**	41.30	–
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**15,010,534**	**–**	**15,010,534**	46.93	**15,010,534**	**–**	**15,010,534**	46.93	–
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	2,679,447	22,100	2,701,547	8.45	1,553,274	22,100	1,575,374	4.93	–3.52
b) Financial Institutions/ Banks	–	7,500	7,500	0.02	9,673	7,500	17,173	0.05	0.03
c) Central Government	–	–	–	–	–	–	–	–	–
d) State Government(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) Foreign Institutional Investors	249,815	15,200	265,015	0.83	160,733	15,200	175,933	0.55	–0.28
h) Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
SUB TOTAL (B)(1):	**2,929,262**	**44,800**	**2,974,062**	9.30	**1,723,680**	**44,800**	**1,768,480**	5.53	–3.77

(2) Non Institutions									
a) Bodies corporates									
i) Indian	5,286,502	13,400	5,299,902	16.57	6,324,642	13,400	6,338,042	19.82	3.25
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3,198,548	512,972	3,711,520	11.60	3,462,840	479,872	3,942,712	12.33	0.72
ii) Individuals shareholders holding nominal share capital in excess of Rs.1 lakhs	1,348,196	–	1,348,196	4.22	1,016,252	–	1,016,252	3.18	–1.04
c) Others (specify)									
(c-i) NRIs	3,350,216	8,100	3,358,316	10.50	3,310,587	8,100	3,318,687	10.38	–0.12
(c-ii) OCB	–	2,400	2,400	0.01	–	2,400	2,400	0.01	–
(c-iii) Directors and Relatives	3,584	–	3,584	0.01	4,584	–	4,584	0.01	–
(c-iv) Hindu Undivided Family	276,086	–	276,086	0.86	582,709	–	582,709	1.82	0.96
(c-vi) Trusts	–	–	–	–	200	–	200	–	–
SUB TOTAL (B)(2):	**13,463,132**	**536,872**	**14,000,004**	43.77	**14,701,814**	**503,772**	**15,205,586**	47.54	3.77
Total Public Shareholding (B)= (B)(1)+(B)(2)	**16,392,394**	**581,672**	**16,974,066**	53.07	**16,425,494**	**548,572**	**16,974,066**	53.07	0.00
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**31,402,928**	**581,672**	**31,984,600**	100.00	**31,436,028**	**548,572**	**31,984,600**	100.00	–

(ii) **SHARE HOLDING OF PROMOTERS**

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahalaxmi Trading & Investments Co. Ltd.	7,622,390	23.83	–	7,622,390	23.83	–	–
2	Secure Investments Ltd.	5,535,744	17.31	–	5,535,744	17.31	–	–
3	Sanjiv Sarita Investments Pvt. Ltd.	1,390,924	4.35	–	1,390,924	4.35	–	–
4	Utkarsh Tradings & Holdings Ltd.	411,278	1.29	–	411,278	1.29	–	–
5	Mr. Sanjiv Saraf	46,138	0.14	–	46,138	0.14	–	–
6	Mr. Sanjiv Chadha	4,000	0.01	–	4,000	0.01	–	–
7	Mr. Narayandas Durgaprasadji Saraf	20	–	–	20	–	–	–
8	Mrs. Urmiladevi Narayandas Saraf	20	–	–	20	–	–	–
9	Mrs. Sarita Saraf	20	–	–	20	–	–	–
	Total	**15,010,534**	**46.93**	**–**	**15,010,534**	**46.93**	**–**	**–**

(iii) **Change in Promoter's Shareholding (Plese specify, if there is no change)**

Sr.No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	There is no change in Promoter's Shareholding during the year.			
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
3.	At the end of the year				

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

Sr. No.	Shareholding at the beginning of the year			Date	Increase/ Decrease in Shareholding	Specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)	Cumulative Shareholding during the year	
	Date	No. of Shares	% of total shares of the company				No. of shares	% of the total shares of the company
1	**IL & FS Trust Company Ltd ^**							
	April 1, 2014	3676809	11.50%	April 1, 2014	Opening		3676809	11.50%
				April 4, 2014	–2256	Transfer	3674553	11.49%
				April 11, 2014	20175	Transfer	3694728	11.55%
				April 18, 2014	5980	Transfer	3700708	11.57%
				April 25, 2014	2097	Transfer	3702805	11.58%
				May 2, 2014	2556	Transfer	3705361	11.58%
				May 9, 2014	35726	Transfer	3741087	11.70%
				May 16, 2014	13700	Transfer	3754787	11.74%
				May 23, 2014	14010	Transfer	3768797	11.78%
				May 30, 2014	28873	Transfer	3797670	11.87%
				June 6, 2014	647299	Transfer	4444969	13.90%
				June 13, 2014	20521	Transfer	4465490	13.96%
				June 20, 2014	29932	Transfer	4495422	14.05%
				June 30, 2014	43275	Transfer	4538697	14.19%
				July 4, 2014	–12697	Transfer	4526000	14.15%
				July 11, 2014	–22797	Transfer	4503203	14.08%
				July 18, 2014	5546	Transfer	4508749	14.10%
				July 25, 2014	–78170	Transfer	4430579	13.85%
				August 1, 2014	–139	Transfer	4430440	13.85%
				August 8, 2014	1000	Transfer	4431440	13.85%
				August 14, 2014	–23092	Transfer	4408348	13.78%
				August 22, 2014	–265537	Transfer	4142811	12.95%
				August 29, 2014	–99149	Transfer	4043662	12.64%

				September 5, 2014	–58409	Transfer	3985253	12.46%
				September 12, 2014	–285253	Transfer	3700000	11.57%
				September 30, 2014	–41031	Transfer	3658969	11.44%
				October 10, 2014	12181	Transfer	3671150	11.48%
				October 17, 2014	1000	Transfer	3672150	11.48%
				October 24, 2014	33918	Transfer	3706068	11.59%
				October 31, 2014	–13000	Transfer	3693068	11.55%
				November 7, 2014	12078	Transfer	3705146	11.58%
				November 14, 2014	–17576	Transfer	3687570	11.53%
				November 21, 2014	63899	Transfer	3751469	11.73%
				November 28, 2014	24077	Transfer	3775546	11.80%
				December 5, 2014	34578	Transfer	3810124	11.91%
				December 12, 2014	6630	Transfer	3816754	11.93%
				December 19, 2014	64924	Transfer	3881678	12.14%
				December 31, 2014	9448	Transfer	3891126	12.17%
				January 9, 2015	26977	Transfer	3918103	12.25%
				January 16, 2015	1116	Transfer	3919219	12.25%
				January 23, 2015	44396	Transfer	3963615	12.39%
				January 30, 2015	38636	Transfer	4002251	12.51%
				February 6, 2015	36250	Transfer	4038501	12.63%
				February 13, 2015	5240	Transfer	4043741	12.64%
				February 20, 2015	44527	Transfer	4088268	12.78%
				February 27, 2015	34350	Transfer	4122618	12.89%
				March 6, 2015	41197	Transfer	4163815	13.02%
				March 13, 2015	1751	Transfer	4165566	13.02%
				March 27, 2015	112	Transfer	4165678	13.02%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			4165678	13.02%
	^ Holds shares in its name in trust for K2 Family Pvt. Trust.							
2	**ICICI Prudential Tax Plan**							
	April 1, 2014	1876419	5.87%	April 1, 2014	Opening		1876419	5.87%
				May 30, 2014	7964	Transfer	1884383	5.89%
				June 13, 2014	–17374	Transfer	1867009	5.84%
				June 30, 2014	–567009	Transfer	1300000	4.06%
				July 25, 2014	–300000	Transfer	1000000	3.13%
				August 8, 2014	–100000	Transfer	900000	2.81%
				August 22, 2014	–200000	Transfer	700000	2.19%
				September 5, 2014	–16063	Transfer	683937	2.14%
				September 12, 2014	–111475	Transfer	572462	1.79%
				September 30, 2014	–174249	Transfer	398213	1.25%
				October 10, 2014	–61301	Transfer	336912	1.05%

				October 17, 2014	–26592	Transfer	310320	0.97%
				October 24, 2014	–23649	Transfer	286671	0.90%
				October 31, 2014	–16294	Transfer	270377	0.85%
				December 12, 2014	–1120	Transfer	269257	0.84%
				January 9, 2015	–5022	Transfer	264235	0.83%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			264235	0.83%
3	**Ricky Ishwardas Kirpalani ^ ^**							
	April 1, 2014	1590206	4.97%	April 1, 2014	Opening		1590206	4.97%
				May 30, 2014	–1225	Transfer	1588981	4.97%
				August 22, 2014	–3189	Transfer	1585792	4.96%
				September 30, 2014	–5000	Transfer	1580792	4.94%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			1580792	4.94%
	^ ^ Shareholders having more than one demat accounts have been consolidated.							
4	**Keswani Haresh**							
	April 1, 2014	1562530	4.89%	April 1, 2014	Opening		1562530	4.89%
				May 30, 2014	–5000	Transfer	1557530	4.87%
				June 6, 2014	–3952	Transfer	1553578	4.86%
				June 13, 2014	1000	Transfer	1554578	4.86%
				July 25, 2014	–552	Transfer	1554026	4.86%
				August 8, 2014	–137	Transfer	1553889	4.86%
				August 14, 2014	–2698	Transfer	1551191	4.85%
				September 30, 2014	30	Transfer	1551221	4.85%
				October 10, 2014	121	Transfer	1551342	4.85%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			1551342	4.85%
5	**Reliance Capital Trustee Co Ltd-Reliance Small Cap Fund**							
	April 1, 2014	394957	1.23%	April 1, 2014	Opening		394957	1.23%
				April 25, 2014	45371	Transfer	440328	1.38%
				May 2, 2014	48609	Transfer	488937	1.53%
				May 9, 2014	19083	Transfer	508020	1.59%
				May 23, 2014	2713	Transfer	510733	1.60%
				July 25, 2014	498600	Transfer	1009333	3.16%
				January 16, 2015	25000	Transfer	1034333	3.23%
				March 13, 2015	106350	Transfer	1140683	3.57%
				March 20, 2015	11577	Transfer	1152260	3.60%
				March 27, 2015	73196	Transfer	1225456	3.83%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015	28313	Transfer	1253769	3.92%
6	**ICICI Prudential Child Care Plan- Gift Plan***							
	April 1, 2014	372801	1.17%	April 1, 2014	Opening		372801	1.17%
				June 13, 2014	–11720	Transfer	361081	1.13%

				June 30, 2014	–161081	Transfer	200000	0.63%
	At the end of the year (or on the date of separation, if separated during the year)			July 25, 2014	–200000	Transfer	0	0
7	**Sanjana Rajan Kirpalani***							
	April 1, 2014	345000	1.08%	April 1, 2014	Opening		345000	1.08%
	At the end of the year (or on the date of separation, if separated during the year)			June 6, 2014	–345000	Transfer	0	0
8	**Aadi Financial Advisors LLP**							
	April 1, 2014	268625	0.84%	April 1, 2014	Opening		268625	0.84%
				June 30, 2014	228335	Transfer	496960	1.55%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			496960	1.55%
9	**Rajan Ishwardas Kirpalani***							
	April 1, 2014	255000	0.80%	April 1, 2014	Opening		255000	0.80%
	At the end of the year (or on the date of separation, if separated during the year)			June 06, 2014	–255000	Transfer	0	0.00%
10	**Kiran Chulani**							
	April 1, 2014	164122	0.51%	April 1, 2014	Opening		164122	0.51%
				June 30, 2014	2000	Transfer	166122	0.52%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			166122	0.52%
11	**Star Finvest Pvt Ltd****							
	April 1, 2014	35000	0.11%	April 1, 2014	Opening		35000	0.11%
				April 11, 2014	10000	Transfer	45000	0.14%
				April 25, 2014	-1000	Transfer	44000	0.14%
				May 2, 2014	-5000	Transfer	39000	0.12%
				May 2, 2014	5000	Transfer	44000	0.14%
				May 9, 2014	-5000	Transfer	39000	0.12%
				May 23, 2014	1000	Transfer	40000	0.13%
				May 30, 2014	-1000	Transfer	39000	0.12%
				June 6, 2014	-39000	Transfer	0	0.00%
				June 13, 2014	35000	Transfer	35000	0.11%
				July 4, 2014	5000	Transfer	40000	0.13%
				July 11, 2014	-5000	Transfer	35000	0.11%
				July 11, 2014	6500	Transfer	41500	0.13%
				July 18, 2014	-6500	Transfer	35000	0.11%
				July 25, 2014	15000	Transfer	50000	0.16%
				August 14, 2014	9358	Transfer	59358	0.19%
				August 14, 2014	-13358	Transfer	46000	0.14%
				August 22, 2014	-1642	Transfer	44358	0.14%
				August 22, 2014	-3347	Transfer	41011	0.13%
				August 29, 2014	-6011	Transfer	35000	0.11%
				September 12, 2014	24000	Transfer	59000	0.18%
				September 30, 2014	30000	Transfer	89000	0.28%

				September 30, 2014	20000	Transfer	109000	0.34%
				October 10, 2014	1000	Transfer	110000	0.34%
				October 24, 2014	4000	Transfer	114000	0.36%
				November 14, 2014	-5000	Transfer	109000	0.34%
				November 21, 2014	2002	Transfer	111002	0.35%
				November 28, 2014	2000	Transfer	113002	0.35%
				December 5, 2014	-2000	Transfer	111002	0.35%
				December 31, 2014	8998	Transfer	120000	0.38%
				January 9, 2015	2935	Transfer	122935	0.38%
				January 16, 2015	65	Transfer	123000	0.38%
				January 23, 2015	8000	Transfer	131000	0.41%
				January 30, 2015	3000	Transfer	134000	0.42%
				February 13, 2015	-3000	Transfer	131000	0.41%
				February 20, 2015	3000	Transfer	134000	0.42%
				February 27, 2015	2000	Transfer	136000	0.43%
				March 6, 2015	5000	Transfer	141000	0.44%
				March 6, 2015	14000	Transfer	155000	0.48%
				March 6, 2015	-7000	Transfer	148000	0.46%
				March 13, 2015	27702	Transfer	175702	0.55%
				March 13, 2015	-14000	Transfer	161702	0.51%
				March 13, 2015	-21000	Transfer	140702	0.44%
				March 20, 2015	298	Transfer	141000	0.44%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			141000	0.44%
	^ ^ Shareholders having more than one demat accounts have been consolidated.							
12	**Niche Financial Services Pvt. Ltd.****							
	April 1, 2014	0	0.00%	April 1, 2014	Opening		0	0.00%
				July 18, 2014	5402	Transfer	5402	0.02%
				July 25, 2014	21718	Transfer	27120	0.08%
				August 1, 2014	10380	Transfer	37500	0.12%
				August 8, 2014	22500	Transfer	60000	0.19%
				August 22, 2014	60000	Transfer	120000	0.38%
				August 29, 2014	40000	Transfer	160000	0.50%
				September 30, 2014	12000	Transfer	172000	0.54%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			172000	0.54%
13	**Akash Bhanshali****							
	April 1, 2014	0	0.00%	April 1, 2014	Opening		0	0.00%
				October 17, 2014	311600	Transfer	311600	0.97%
	At the end of the year (or on the date of separation, if separated during the year)			March 31, 2015			311600	0.97%

Note: * Ceased to be in the list of Top 10 shareholders as on 31.03.2015.
** Not in the list of Top 10 shareholders as on 1.04.2014. Shares acquired during the year.

(v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No	Name	Shareholding at the begining of the year (01.04.2014)		Shareholding at the end of the year (31.03.2015)	
		No.of shares	% of total shares of the company	No. of shares	% of total shares of the company
	DIRECTORS:				
1	Mr. Sanjiv Saraf	46,138	0.15	46,138	0.15
2	Mr. Pranay Kothari*	—	—	—	—
3	Dr. Suresh Inderchand Surana	200	0.00	200	0.00
4	Mr. Brij Kishore Soni	—	—	—	—
5	Mr. Sanjiv Chadha	4,000	0.01	4,000	0.01
6	Mr. Jitender Balakrishnan	—	—	—	—
7	Mr. Rakesh Awasthi	—	—	—	—
8	Ms. Pooja Haldea	—	—	—	—
	* Mr. Pranay Kothari is Whole Time Director and Key Managaerial Personnel of the Company				
B.	**KEY MANAGERIAL PERSONNEL (KMPs) OTHER THAN WHOLE TIME DIRECTOR**				
1	Mr. Manish Gupta (Chief Financial Officer)	—	—	—	—
2	Mr. Ashok Kumar Gurnani (Company Secretary)	3,152	0.01	3,152	0.01

There is no change in the shareholding the Directors and Key Managerial Personnel (KMP) during the period April 1, 2014 to March 31, 2015.

V INDEBTEDNESS

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

Amount in Rs.

Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total
Indebtness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	4,062,214,276	60,109,800	–	4,122,324,076
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	14,877,302	79,377	–	14,956,679
Total (i+ii+iii)	**4,077,091,578**	**60,189,177**	**–**	**4,137,280,755**
Change in Indebtedness during the financial year				
Additions	700,568,729	–	–	700,568,729
Reduction	1,539,956,189	60,189,177	–	1,600,145,365
Net Change	839,387,459	60,189,177	–	–899,576,636
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	3,228,087,748	–	–	3,228,087,748
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	9,616,371	–	–	9,616,371
Total (i+ii+iii)	**3,237,704,119**	**–**	**–**	**3,237,704,119**

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(In Rupees)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager
		Mr. Pranay Kothari (Whole Time Director & Key Managerial Personnel)
1	**Gross salary**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	**1,92,00,000**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	**7,39,835**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–
2	Stock option	–
3	Sweat Equity	–
4	Commission :	
	– as % of profit	–
	– others (specify)	–
5	Others, (Contribution to Provident and Superannuation Fund)	**8,20,000**
	Total (A)	**2,07,59,835**
	Ceiling as per the Companies Act	**1,34,65,170**

Above remuneration does not include a sum of Rs. 49,65,733/- pertaining to Financial Year 2013-14, released during 2014-15, pursuant to receipt of approval of Central Government under Section 309 of the Companies Act, 1956 vide letter dated August 11, 2014.

B. **Remuneration to other directors:**

1. **Independent Directors**

(In Rupees)

Sl. No	Particulars	Name of the Director				Total Amount
		Dr. Suresh Inderchand Surana	**Mr. Brij Kishore Soni**	**Mr. Jitender Balakrishnan**	**Ms. Pooja Haldea**	
1	(a) Fee for attending Board/ Committee meetings	1,60,000	3,80,000	1,00,000	20,000	**6,60,000**
1	(b) Commission	—	—	—	—	—
1	(c) Others, please specify	—	—	—	—	—
	Total B (1)	**1,60,000**	**3,80,000**	**1,00,000**	**20,000**	**6,60,000**

2. Other Non Executive Directors

(In Rupees)

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Sanjiv Saraf	Mr. Sanjiv Chadha	Mr. Rakesh Awasthi*	
2	(a) Fee for attending Board/ Committee meetings	2,20,000	60,000	1,60,000	4,40,000
2	(b) Commission	25,00,000	—	—	25,00,000
2	(c) Others, please specify.	—	—	—	—
	Total B (2)	**27,20,000**	**60,000**	**1,60,000**	**29,40,000**
	Total (B) = (B(1)+B(2))				**36,00,000**
	Total Managerial Remuneration (A + B)				**2,43,59,835**
	Overall Ceiling as per the Act.				**1,60,40,770**

* Sitting Fees paid to IDBI Bank Ltd., nominating Bank.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Manish Gupta Chief Financial Officer	Mr. Ashok Kumar Gurnani Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	67,93,309	36,61,729	**1,04,55,038**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	97,964	51,516	**1,49,480**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission :			
	– as % of profit	–	–	–
	– others, specify	–	–	–
5	Others (Contribution to Provident and Superannuation Fund)	2,82,736	2,16,784	**4,99,520**
	Total	**71,74,009**	**39,30,029**	**1,11,04,038**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

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

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 Eight Directors of which One is Executive Director and Seven are Non-Executive Directors including One Woman Director. One half of the Board of Directors are Independent.

Mr. Pranay Kothari is Executive Director.

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

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

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

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

b) Board Meetings :

During the Financial Year 2014-15, six Board Meetings were held on May 30, 2014, August 13, 2014, November 14, 2014, January 8, 2015, February 13, 2015 and March 30, 2015. The maximum time gap between any two meetings was not more than 120 days.

Attendance of each director at the Board meetings and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2015 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***	
					Member	Chairman
A. Non-Executive Directors						
A.1 Promoters Category						
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent,	6 out of 6	No	5	2	1
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent,	3 out of 6	No	Nil	Nil	Nil
A.2 Independent Directors						
Mr. Brij Kishore Soni DIN: 00183432	Independent	6 out of 6	No	Nil	Nil	Nil

Dr. Suresh Inderchand Surana DIN: 00009757	Independent	4 out of 6	No	2	Nil	Nil
Mr. Jitender Balakrishnan DIN: 00028320	Independent	4 out of 6	No	9	6	1
Ms. Pooja Haldea* DIN: 07123158	Independent	1 out of 1	No	Nil	Nil	Nil
A.3 Others – Non-Independent						
Mr. Rakesh Awasthi DIN: 00252540	Non-Independent (Nominee of IDBI Bank Ltd.)	4 out of 6	No	NIL	NIL	NIL
B. Executive Director						
Mr. Pranay Kothari DIN: 00004003	Non-Independent	6 out of 6	No	3	3	1

* Ms. Pooja Haldea was appointed on and w.e.f. March 30, 2015.
** Only Indian Public Limited Companies considered.
*** For determining the Membership/Chairmanship of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered.

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all companies in which he/she 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 31.03.2015
1.	Mr. Sanjiv Saraf	46,138
2.	Mr. Sanjiv Chadha	4,000
3.	Dr. Suresh Inderchand Surana	200

e) Information placed before the Board includes :

The Board is supplied with the necessary information as stipulated in Annexure X 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 Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed the compliance of the same. A copy of the Code of Conduct is also posted on the website of the Company viz. **www.polyplex.com.**

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

3. Audit Committee

a) Constitution :

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

Ms. Pooja Haldea was appointed as a Non-Executive Independent Director on the Board of the Company w.e.f. March 30, 2015 and was also appointed as a member of the Audit Committee.

Mr. Brij Kishore Soni an Independent Director is elected as Chairman of Audit Committee. 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 the Secretary of the Audit Committee.

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

b) Meetings of the Audit Committee :

During the Financial Year 2014-15, four meetings of Audit Committee were held on May 30, 2014, August 13, 2014, November 14, 2014 and February 13, 2015.

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. Rakesh Awasthi	4 out of 4
Dr. Suresh Inderchand Surana	3 out of 4
Ms. Pooja Haldea*	Nil

* During her tenure no meeting was held.

c) Powers and Role of the 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) Recommendation for appointment, remuneration and terms of appointment of auditors of the company.

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

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

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

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

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

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

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

vi. Disclosure of any Related Party Transactions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Review of information by the Audit Committee :

The Audit Committee mandatorily reviews the following information:

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

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

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

iv. Internal Audit Reports relating to internal control weaknesses; and

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

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Terms of reference :

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

b) Formulate criteria for evaluation of Independent Directors and the Board.

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

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

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

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

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

h) To devise a policy on Board diversity.

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

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

b) Composition :

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

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

During the Financial Year 2014-15, two meetings of the Nomination and Remuneration Committee were held on August 13, 2014 and March 30, 2015.

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

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

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

i. Executive Director :

Mr. Pranay Kothari

Mr. Pranay Kothari was re-appointed as a Whole-Time Director designated as Executive Director of the Company for a period of three years w.e.f. September 7, 2012. Following remuneration has been paid/ provided to Mr. Pranay Kothari, Executive Director for the Financial Year 2014-15 :

Salary and Allowances	Rs. 1,92,00,000
Perquisites	Rs. 15,59,835
Total	Rs. 2,07,59,835

Above remuneration does not include a sum of Rs.49,65,733/- pertaining to Financial Year 2013-14, released during 2014-15, pursuant to approval of Central Government under section 309 of the Companies Act, 1956 vide letter dated August 11, 2014.

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 :

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

The details of payment of Sitting Fee to Non-Executive Directors during the year 2014-15 are given below:

Sl. No.	Name of Non-Executive Directors	Sitting Fees (Rs.)
1.	Mr. Sanjiv Saraf	2,20,000
2.	Mr. Brij Kishore Soni	3,80,000
3.	Mr. Rakesh Awasthi*	1,60,000
4.	Mr. Sanjiv Chadha	60,000
5.	Dr. Suresh Inderchand Surana**	1,60,000
6.	Mr. Jitender Balakrishnan	1,00,000
7.	Ms. Pooja Haldea	20,000

All Non-Executive Directors except Independent Directors and Nominee

Director of IDBI Bank Limited, are liable to retire by rotation.

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

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

In addition to payment of Sitting Fee, Board of Directors have on the recommendation of the Nomination and Remuneration Committee approved the payment of Commission of Rs. 25 Lacs for the Financial Year 2014-15 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 was employed as General Manager and Chief Executive Officer with Polyplex (Asia) Pte. Ltd., Singapore (PAPL) a wholly owned subsidiary during the Financial Year 2014-15 and has received a remuneration of US Dollars 49,305 (Rs. 30.74 Lacs) from PAPL. Mr. Sanjiv Saraf has resigned from the employment of PAPL w.e.f. March 31, 2015.

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

5. Stakeholders' Relationship Committee

a) Composition :

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

The Committee, *inter alia*, looks into matters relating to issue of duplicate/split of old share certificates and Shareholders'/ Investors' Grievances.

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

b) Meetings of Stakeholders' Relationship Committee :

During the Financial Year 2014-15, Three such meetings were held on July 18, 2014, September 19, 2014 and January 8, 2015. All the meetings were attended by both the directors.

c) Investor Grievance Redressal:

Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2014-15 is as follows:

Opening :	Nil	Received :	9
Resolved :	6	Pending :	3 (Resolved on April 10, 2015)

As on March 31, 2015, no request for registration of transfer of shares/ dematerialization was pending.

d) Process of transfer of shares

A committee consisting of senior officers has been constituted to expeditiously approve transfer of shares etc.

6. Corporate Social Responsibility (CSR) Committee

a) Composition :

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

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

The Role and functions of the CSR Committee are to:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified herein;

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

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

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

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

During the Financial Year 2014-15, one meeting of the CSR Committee was held on March 30, 2015 and all the members of the Committee were present.

7. 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 short term loans, working capital facilities, deployment of surplus funds and other incidental matters.

Mr. Sanjiv Saraf is the Chairman of the Committee.

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

(b) Meetings of the Finance Committee:

During the Financial Year 2014-15, three meetings of the Finance Committee were held on June 9, 2014, September 20, 2014 and March 30, 2015.

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

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

8. Risk Management Committee

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

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

9. Meeting of Independent Directors and Familiarisation Programme

As required by provisions of the Companies Act, 2013 and Listing Agreement, a separate meeting of the Independent Directors was held on August 7, 2015, without the attendance of non-independent directors and members of the management. This meeting was attended by Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan and Ms. Pooja Haldea. Dr. Suresh Inderchand Surana could not attend the meeting.

Independent Directors of the Company in their separate meeting held on August 7, 2015 reviewed the performance of non-independent directors and the Board as a whole as also performance of the Chairperson of the Company.

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

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

10. Subsidiary Monitoring Framework

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

a) Approving, in principal, 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.

11. Related Party Transactions

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

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

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

12. General 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
29th	2013-14*	29.09.2014	Registered Office at Khatima	11.00 a.m.
28th	2012-13*	30.09.2013	Registered Office at Khatima	11.00 a.m.
27th	2011-12*	28.09.2012	Registered Office at Khatima	10.00 a.m.

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

During the Financial Year 2014-15, 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 of AGM	Subject
2013-14/ September 29, 2014	1. Authority to Board of Directors to borrow upto Rs.1,500 Crores.
	2. Authority to Board of Directors to create charge on the properties of the Company in favour of Lenders upto Rs. 1500 Crores.
2012-13/ September 30, 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/ September 28, 2012	Nil

(iii) Special Resolution in respect of following matters are proposed to be passed at the ensuing Annual General Meeting :

a) Resolution pursuant to Section 197 of the Companies Act, 2013 for waiver of recovery of excess remuneration of Rs.72.94 Lacs paid/ provided to Mr. Pranay Kothari, Executive Director during 2014-15, due to inadequacy/ insufficiency of profits.

b) Resolution pursuant to Section 197 , 198, 203 and/or other applicable provisions of the Companies Act, 2013 to payment of remuneration to Mr. Pranay Kothari, Executive Director, as earlier approved for the period April 1, 2015 to September 6, 2015.

c) Resolution pursuant to Section 196, 197, 198 & 203 of the Companies Act, 2013 for reappointment and payment of remuneration to Mr. Pranay Kothari, Whole Time Director, for the period September 7, 2015 to September 6, 2018.

d) Resolution pursuant to Section 188 of the Companies Act, 2013 for holding of office of profit and payment of remuneration to Mr. Sanjiv Saraf in M/s. Polyplex (Asia) Pte. Ltd., Singapore, wholly owned subsidiary.

e) Resolution pursuant to Section 197 of the Companies Act, 2013 for payment of commission to Mr. Sanjiv Saraf, Non Executive Director, upto 1% per annum of the net profits of the Company for each of Five Financial Years commencing from April 1, 2015.

(iv) During 2014-15 no resolution was required to be passed by way of postal ballot.

13. Disclosures :

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

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

(c) The Company has formulated Whistle Blower policy. Whistle Blower Policy of the Company has been posted on website of the Company at www.polyplex.com. No employee of the

Company has been denied access to the Audit Committee to make any representation.

(d) Company has complied with the mandatory requirements of Clause 49 (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) Director's Report has a detailed section on Management Discussion and Analysis.

(g) As required by Clause 49 VIII (E) particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.

14. Companies Policies and Weblinks:

Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/Clause 49 of the Listing Agreement/ SEBI Regulations. These Policies/Codes are available on the website of the Company and the weblinks of these Policies/Codes are mentioned against their respective names as below:

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

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

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

d) Policy on Related Party Transactions: http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf

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

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

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

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

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

15. CEO/ CFO Certification

As required by the Clause 49 (IX) 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, 2015.

16. Means of Communication

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

b. The quarterly/ half yearly/ yearly results are generally published in the '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 on the website to the shareholders of the Company.

Declaration by the CEO under Clause 49 II (E) 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 2014-15.

Place : Noida
Date : August 14, 2015

Pranay Kothari
Executive Director

GENERAL SHAREHOLDERS INFORMATION

I.	**Annual General Meeting Date & Time :**	September 28, 2015 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima-262 308 Distt. Udham Singh Nagar, Uttarakhand
II.	**Financial Year :**	April 1, 2014 to March 31, 2015
III.	**Book Closure Date :**	September 19, 2015 to September 28, 2015 (both days inclusive)
IV.	**Dividend Payment Date :**	Within 15 days from declaration by the shareholders in the Annual General Meeting.

V. Listing on Stock Exchanges :

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

BSE Limited, (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited, (NSE)
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex,
Mumbai – 400 051

Listing Fees for the Financial Year 2014-15 and 2015-16 has been paid to above Stock Exchanges.

VI. Scrip Code :

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

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

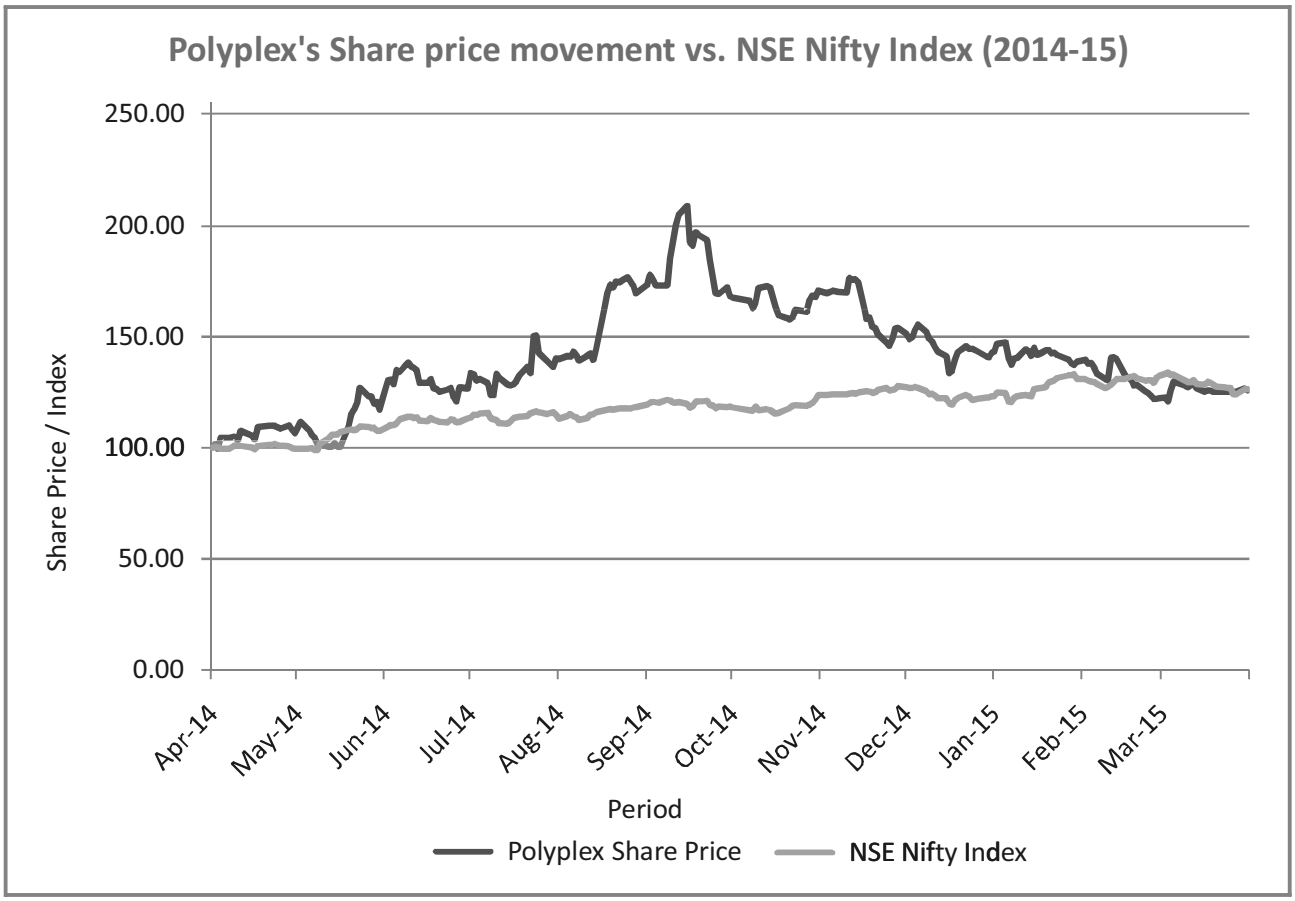
VII. Market Price Data :

Share prices on BSE and the NSE during 2014-15 were as follows:

Months	BSE			NSE		
	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)
April 2014	167.50	146.35	70,228	167.50	148.00	4,13,271
May 2014	197.00	150.05	1,10,937	198.00	150.10	4,86,011
June 2014	215.45	176.00	7,73,086	217.00	175.20	13,79,670
July 2014	239.80	180.00	11,03,203	240.00	181.00	28,02,677
August 2014	274.90	205.00	15,76,366	274.90	205.10	42,73,631
September 2014	319.00	248.00	14,83,523	318.95	247.00	47,61,178
October 2014	270.10	234.05	5,52,906	269.90	233.05	15,72,308
November 2014	274.00	215.00	7,14,977	273.80	215.10	22,66,644
December 2014	240.30	192.75	4,54,602	241.00	192.65	12,39,382
January 2015	225.75	205.00	2,37,994	225.85	204.05	7,43,482
February 2015	216.20	180.10	2,95,549	216.05	180.20	6,09,637
March 2015	199.30	180.00	2,09,417	199.95	180.00	7,58,244
Total			**75,82,788**			**2,13,06,135**

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

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



IX. Registrars and Share Transfer Agents (RTA):

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

X. Share Transfer System:

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

XI. Distribution of shareholdings as on March 31, 2015 :

Share holding in Number of Shares	Number of Shareholders	% of total Shareholders	Nominal Amount (in Rs.)	% of Total Nominal Amount
1 to 500	14,256	88.52	1,83,79,740	5.75
501 to 1000	973	6.04	77,43,640	2.42
1001 to 2000	446	2.77	68,76,770	2.15
2001 to 3000	130	0.81	33,33,800	1.04
3001 to 4000	83	0.52	30,43,580	0.95
4001 to 5000	50	0.31	23,37,770	0.73
5001 to 10000	79	0.49	57,15,860	1.79
10001 to 50000	63	0.39	1,43,06,200	4.47
50001 to 100000	8	0.05	53,94,300	1.69
100001 and above	17	0.11	25,27,14,340	79.01
Total	**16,105**	**100.00**	**31,98,46,000**	**100.00**

XII. Categories of shareholders as on March 31, 2015

	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	15,75,374	4.93
	b) Banks, Financial Institutions, and Insurance Companies	17,173	0.05
	c) Foreign Institutional Investors (FIIs)	1,75,933	0.55
	d) Bodies Corporates	63,38,042	19.82
	e) NRIs/OCBs	33,21,087	10.38
	f) Indian Public	55,46,457	17.34
	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, 2015 was 1,67,05,292 shares constituting 52.23%.

ii) 2(d) above includes 61,800 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account held pursuant to Clause 5A(ii) of the Listing Agreement.

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

XII. Dematerialisation of shares and liquidity

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

Status of Dematerialisation as on March 31, 2015

Particulars	No. of Shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,98,10,733	93.20	9,415
Central Depository Services (India) Limited	16,25,295	5.08	4,957
Total Dematerialised	**3,14,36,028**	**98.28**	**14,372**
Physical	5,48,572	1.72	1,733
Grand Total	**3,19,84,600**	**100.00**	**16,105**

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

XIV. As required by Clause 5A(ii) of the Listing Agreement 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 shareholders/ shares dematerialized in the said account are as follows :

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	359	62,200
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	5	500
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	4	400
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	355	61,800

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

XV. 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

XVI. 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) 2443723 & 24

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, 2015, 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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 14, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF POLYPLEX CORPORATION LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of **Polyplex Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 26 B (i) to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 26 J (i), (ii) & (iii) to the standalone financial statements.

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

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

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2015

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31ST MARCH 2015:-

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

   (b) The fixed assets have been physically verified by the management according to the programme of periodical physical 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. The discrepancies noticed on such physical verification were not material.

2. (a) The inventories of the Company (except stock lying with third parties and in transit for which confirmations have been received / materials received) 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) The Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

3. The Company has granted unsecured loan to two companies covered in the register maintained under Section 189 of the Companies Act, 2013.

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

   (b) The Recovery of principal amount and interest is as per stipulation.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.

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

7. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

(b) According to the records and information & explanations given to us, there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Duty of Custom, and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Sales Tax, VAT 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 (Financial Year)	Amount (Rs. in Lacs)	Forum where disputes are pending
Sale Tax Act	Sale Tax	1996-1997	18.40	High Court
		1997-1998	28.55	Deputy Commissioner (Appeal)
		1998-1999	29.05	Deputy Commissioner (Appeal)
		2008-2009	1.28	Tribunal
		2010-2011	1.71	Jt. Commissioner
U.P. Tax on Entry of Goods Act	Entry Tax	2001-2002	0.61	Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	2009-2010	19.91	Additional Commissioner

Refer Note No. 26 B(i) to the Standalone Financial Statements.

(c) According to the records of the Company and information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder has been transferred to such fund within time.

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

9. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

10. 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.

11. On the basis of information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

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

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

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2015

BALANCE SHEET AS AT MARCH 31, 2015

	PARTICULARS	NOTE	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
I	**EQUITY AND LIABILITIES**			
	Shareholder's Funds			
	Share Capital	2	3,256.32	3,256.32
	Reserves and Surplus	3	38,081.81	36,806.79
	Non Current Liabilities			
	Long Term Borrowings	4	17,929.64	26,754.80
	Deferred Tax Liabilities (Net)	5	618.71	425.67
	Long Term Provisions	6	136.11	96.27
	Current Liabilities			
	Short Term Borrowings	7	6,909.53	7,338.01
	Trade Payables		1,023.03	771.88
	Other Current Liabilities	8	10,214.68	10,768.93
	Short Term Provisions	9	948.02	756.32
		TOTAL	79,117.85	86,974.99
II	**ASSETS**			
	Non Current Assets			
	Fixed Assets			
	Tangible Assets	10	46,158.97	49,306.35
	Intangible Assets	10	15.38	12.12
	Capital Work-in-Progress		67.84	3,027.50
	Non Current Investments	11	1,951.43	1,953.93
	Long Term Loans and Advances	12	1,890.03	1,717.56
	Current Assets			
	Current Investments	13	1,535.00	520.00
	Inventories	14	9,475.84	12,454.00
	Trade Receivables	15	10,379.25	10,775.81
	Cash & Bank Balances	16	981.16	517.45
	Short Term Loans and Advances	17	6,484.07	6,498.34
	Other Current Assets	18	178.88	191.93
		TOTAL	79,117.85	86,974.99
	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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON MARCH 31, 2015

	PARTICULARS	NOTE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
	Revenues from Operations	19	**110,694.15**	117,654.69
	Less: Excise Duty		**5,491.23**	5,791.08
I	**Revenue from Operations (Net)**		**105,202.92**	**111,863.61**
II	**Other Income**	20	**1,746.63**	2,282.59
III	**Total Revenue (I + II)**		**106,949.55**	**114,146.20**
IV	**Expenses**			
	Cost of Materials Consumed	21	**73,698.58**	83,776.17
	Purchases of Stock-in-trade		–	–
	Changes in Inventory	22	**1,529.41**	(657.19)
	Employee Benefits Expense	23	**4,801.83**	4,107.44
	Finance Costs	24	**1,620.42**	2,019.33
	Depreciation & Amortisation Expense (Refer Note No: 26 W)		**7,688.93**	7,321.72
	Other Expenses	25	**15,326.64**	15,216.79
	Total Expenses		**104,665.81**	**111,784.26**
V	**Profit Before Tax (III - IV)**		**2,283.74**	**2,361.94**
VI	**Tax Expense**			
	Current Tax (Refer Note No: 26 V (i))		**478.68**	459.47
	MAT Credit		**(381.81)**	(495.08)
	Deferred Tax		**193.05**	(863.17)
		TOTAL	**289.92**	**(898.78)**
VII	**Profit for the Period (V - VI)**		**1,993.82**	**3,260.72**
VIII	**Earning Per Share**			
	– Basic (in Rs.)		**6.23**	10.19
	– Diluted (in Rs.)		**6.23**	10.19
	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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	2014-15 (Rs. in Lacs)		2013-14 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**2,283.74**		**2,361.94**
Adjustments For :				
Depreciation	**7,688.93**		7,321.72	
Provision for Doubtful Debts / Bad Debts Written Off	—		25.17	
Interest	**1,620.42**		2,019.33	
Unrealised Foreign Exchange (Gain) / Loss	**41.65**		493.99	
Excess Provision / Sundry Balances Written Back (Net)	**(28.13)**		(55.16)	
Loss / (Profit) on Sale of Fixed Assets (Net)	**(7.08)**		2.44	
Asset Written Off	**3.95**		7.43	
Profit on Sale of Investments	**(22.63)**		(13.20)	
Interest Received	**(498.14)**		(482.09)	
Dividend Received	**(651.94)**	**8,147.03**	(1,476.31)	**7,843.32**
Operating Profit Before Working Capital Changes		**10,430.77**		**10,205.26**
Adjustments For :				
Trade and Other Receivables	**631.40**		(1,936.59)	
Inventories	**2,978.16**		(1,014.68)	
Trade and Other Payables	**205.12**	**3,814.68**	(361.04)	**(3,312.31)**
Cash Generated From Operations		**14,245.45**		**6,892.95**
Taxes Paid		**(432.44)**		**(478.48)**
Net Cash From Operating Activities		**13,813.01**		**6,414.47**
B. CASH FLOW FROM INVESTING ACTIVITIES.				
Purchase of Fixed Assets (Incl Capital Advances)	**(4,310.94)**		(4,161.35)	
Sale of Fixed Assets	**47.90**		13.02	
Inter Corporate Deposits / Loans & Advances to Related Party	**(146.00)**		(425.25)	
Purchase of Short Term Investments	**(63,625.00)**		(39,801.00)	
Sale/ Redemption of Long Term Investments	**2.50**		—	
Sale of Short Term Investments	**62,632.63**		39,294.20	
Interest / Dividend Received	**1,147.85**		1,951.42	
Net Cash Used in Investing Activities		**(4,251.06)**		**(3,128.96)**

	2014-15 (Rs. in Lacs)		2013-14 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net Proceeds From Long Term Borrowings	**(6,332.09)**		1,169.10	
Net Proceeds From Short Term Borrowings	**(453.40)**		(1,995.02)	
Interest Paid	**(1,673.83)**		(2,044.24)	
Dividends Paid	**(638.92)**		(948.98)	
Net Cash Used In Financing Activities		**(9,098.24)**		**(3,819.14)**
Net Increase in Cash And Cash Equivalents		**463.71**		**(533.63)**
Cash and Cash Equivalents at the beginning of the year	**399.12**		880.51	
Other Bank Balances at the beginning of the year	**118.33**		170.57	
Total Cash And Bank Balances at the beginning of the year		**517.45**		**1,051.08**
Cash and Cash Equivalents at the end of the year	**860.35**		399.12	
Other Bank Balances at the end of the year	**120.81**		118.33	
Total Cash And Bank Balances at the end of the year		**981.16**		**517.45**

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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) at the life prescribed in Schedule II to the Companies Act, 2013. Leasehold land is amortised over the period of lease.

Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.

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

(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) Expenditure incurred on Research & Development

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

(j) Inventories

Inventories are valued as follows:-

(i)	Raw Materials and Stores & Spares	:	At lower of cost and net realisable value.
(ii)	Stock in process and finished goods	:	At lower of cost and net realisable value.

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

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

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

(k) Employee Benefits:

(i) Defined-contribution plans:

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

(ii) Defined-benefit plans:

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

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

(iii) Short term employee benefits:

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

(l) 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.

(m) 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.

(n) Leases

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

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

(o) 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.

(p) 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, 2015 (Rs. in Lacs)	As at March 31, 2014 (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

Particulars	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	3,19,84,600	3,19,84,600
Additions during the year	—	—
Shares outstanding as at the end of the year	**31,984,600**	3,19,84,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at March 31, 2015 No. of Shares	As at March 31, 2014 No. of Shares
Mahalaxmi Trading & Investment Co Ltd.	**76,22,390**	76,22,390
Secure Investments Ltd.	**55,35,744**	55,35,744
IL & FS Trust Company Ltd.	**41,65,678**	36,76,809

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

2014–15	2013–14	2012–13	2011–12	2010–11
—	—	—	—	15,992,300

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of 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, 2015 (Rs. in Lacs)	As at March 31, 2014 (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	**5,286.20**	4,959.20
Transferred from Statement of Profit & Loss	**199.38**	327.00
Sub Total (c)	**5,485.58**	5,286.20
SURPLUS IN STATEMENT OF PROFIT & LOSS		
Balance Brought Forward	**28,806.59**	26,621.28
Add: Profit as per Statement of Profit and Loss	**1,993.82**	3,260.72
Corporate Dividend Tax - Proposed Dividend - Written Back	**108.72**	—
Less: Transferred to General Reserve	**199.38**	327.00
Proposed Dividend	**799.62**	639.69
Corporate Dividend Tax - Proposed Dividend	**27.90**	108.72
Net Surplus as per Statement of Profit & Loss Sub Total (d)	**29,882.23**	28,806.59
TOTAL (a + b + c + d)	**38,081.81**	36,806.79

NOTE 4

LONG TERM BORROWINGS

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
SECURED TERM LOANS FROM BANKS			
Rupee Term Loan		**4,687.50**	5,875.00
Foreign Currency Term Loan		**20,683.85**	28,010.23
	Sub Total (a)	**25,371.35**	33,885.23
LESS: CURRENT PORTION			
Rupee Term Loan		**1,250.00**	812.50
Foreign Currency Term Loan		**6,191.71**	6,317.93
	Sub Total (b)	**7,441.71**	7,130.43
	TOTAL (a – b)	**17,929.64**	26,754.80

Loans are secured as under:

The Foreign Currency Term Loan of Rs 20,683.85 Lacs (Previous Year – Rs 28,010.23 Lacs) and Rupee Term Loan of Rs 4,687.50 Lacs (Previous Year – Rs 5,875.00 Lacs) are secured on a *pari passu* basis by a equitable mortgage in respect of Company's immovable properties at Khatima and Bajpur, both present and future.

Loans are repayable as under:

Loan Amount (Rs. in Lacs)	No. of Equal Installments	Frequency	Period	
			From	To
1,918.09	4	Semi Annual	2015-16	2016-17
8,390.51	7	Semi Annual	2015-16	2018-19
1,115.31	1	Annual (Tranche Wise)	2015-16	2015-16
4,291.90	13	Quarterly	2015-16	2018-19
4,968.04	15 @	Quarterly	2015-16	2018-19
4,687.50	15	Quarterly	2015-16	2018-19

@ In 2015-16 Rs. 100.00 Lacs quarterly, FY 2016-17: Rs. 325.00 Lacs quarterly, FY 2017-18: Rs. 425.00 Lacs quarterly, FY 2018-19: Rs. 500.00 Lacs for first two quarter & Balance Rs. 568.04 Lacs in third quarter.

NOTE 5

DEFERRED TAX LIABILITY (Net)

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
DEFERRED TAX ASSET		
Disallowance as per Income Tax Act	**(97.48)**	(45.57)
DEFERRED TAX LIABILITY		
Disallowance on account of Depreciation (Refer Note No: 26 V (ii))	**716.19**	471.24
TOTAL	**618.71**	425.67

NOTE 6

LONG TERM PROVISIONS

	Non-Current Amount		Current Amount	
	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)	**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 (Rs. in Lacs)
Provision for Retirement Benefits	**136.11**	96.27	**118.73**	5.85
TOTAL	**136.11**	96.27	**118.73**	5.85

NOTE 7

SHORT TERM BORROWINGS

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
SECURED LOANS*		
Working Capital Demand Loans from Banks	**5,083.15**	6,185.83
Bank CC Account	**64.17**	551.08
Buyer's Credit	**1,762.21**	—
Sub Total (a)	**6,909.53**	6,736.91
UNSECURED LOANS		
Working Capital Demand Loans from Banks	—	601.10
Sub Total (b)	—	601.10
TOTAL (a + b)	**6,909.53**	7,338.01

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to Rs.6,909.53 Lacs (Previous Year – Rs. 6,736.91 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, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Current Maturity of Long Term Debt	**7,441.71**	7,130.43
Interest accrued but not due on borrowings	**96.16**	149.57
Unclaimed Dividend	**116.50**	115.73
Security Deposits (including related party) (Refer Note No: 26 S)	**141.36**	139.29
Statutory Liabilities	**234.81**	300.97
Advance from Customers (including related party) (Refer Note No: 26 S)	**869.35**	1,032.93
Creditors for Capital Expenditure	**11.62**	603.62
Other liabilities	**1,303.17**	1,296.39
TOTAL	**10,214.68**	10,768.93

NOTE 9

SHORT TERM PROVISIONS

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Provision for Wealth Tax	**1.77**	2.06
Provision for Retirement Benefits	**118.73**	5.85
Proposed Dividend	**799.62**	639.69
Corporate Dividend Tax	**27.90**	108.72
TOTAL	**948.02**	756.32

NOTE 10

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at April 01, 2014	Additions during the year	Sale/ adjust-ments	**As at March 31, 2015**	As at April 01, 2014	For the year	Sale/ adjust-ments	**As at March 31, 2015**	**As at March 31, 2015**	As at March 31, 2014
TANGIBLE ASSETS										
Freehold Land	1,664.40	28.69	–	**1,693.09**	–	–	–	–	**1,693.09**	**1,664.40**
Leasehold Land	493.33	–	–	**493.33**	102.16	5.93	–	**108.09**	**385.24**	**391.17**
Buildings	12,455.73	1,248.82	–	**13,704.55**	3,810.32	677.98	–	**4,488.30**	**9,216.25**	**8,645.41**
Plant & Machinery	74,292.52	3,039.26	674.16	**76,657.62**	37,455.54	6,167.86	636.51	**42,986.89**	**33,670.73**	**36,836.98**
Electrical Installations	2,035.50	73.91	1.50	**2,107.91**	1,005.16	429.34	1.45	**1,433.05**	**674.86**	**1,030.34**
Furniture & Fixtures	458.49	14.07	13.75	**458.81**	304.80	65.72	13.75	**356.77**	**102.04**	**153.69**
Office Equipments	1,053.93	160.63	76.64	**1,137.92**	612.61	296.70	72.68	**836.63**	**301.29**	**441.32**
Vehicles	274.23	15.54	19.28	**270.49**	131.19	40.00	16.17	**155.02**	**115.47**	**143.04**
TOTAL	**92,728.13**	**4,580.92**	**785.33**	**96,523.72**	**43,421.78**	**7,683.53**	**740.56**	**50,364.75**	**46,158.97**	**49,306.35**
Previous Year	*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*	–
INTANGIBLE ASSETS										
Computer Software	131.84	8.66	–	**140.50**	119.72	5.40	–	**125.12**	**15.38**	**12.12**
TOTAL	**131.84**	**8.66**	**–**	**140.50**	**119.72**	**5.40**	**–**	**125.12**	**15.38**	**12.12**
Previous Year	*131.84*	–	–	*131.84*	*109.77*	*9.95*	–	*119.72*	*12.12*	–
Grand Total - Current Year	**92,859.97**	**4,589.58**	**785.33**	**96,664.22**	**43,541.50**	**7,688.93**	**740.56**	**50,489.87**	**46,174.35**	**49,318.47**
Grand Total - Previous 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*	–

Notes :

1. Freehold Land costing Rs. 8.79 Lacs (Previous Year – Rs. 8.79 Lacs) is under Power of Attorney.
2. Additions to Freehold Land during the year amounting to Rs. 28.69 Lacs represents payment made for 0.316 hectare of land acquired pending transfer to concerned authorities in exchange.
3. Addition to Plant & Machinery and Building includes Gain of Rs. 1,034.87 Lacs (Previous Year – Loss of Rs. 2,918.75 Lacs) on account of Foreign Exchange Fluctuation / Derivatives (refer Note No. 26 J (iii)) (Unamortized Fluctuation as on March 31, 2015 – Rs. 2,193.18 Lacs).
4. Addition to Plant & Machinery and Building includes Rs. 235.03 Lacs (Previous Year – Rs. 31.04 Lacs) on account of Interest on Loans.
5. Specialized software under Intangible assets is amortised over useful life i.e. over the period of 5 years.
6. CWIP includes Rs. Nil (Previous Year – Rs. 820.45 Lacs) in respect of Material in transit.

NOTE 11

NON-CURRENT INVESTMENTS

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

	Face Value	**As at March 31, 2015 Nos.**	**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 Nos.	As at March 31, 2014 (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
	Sub Total (a)		—		2.50
1.2 Investment in Subsidiary Company					
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 Company					
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)		**1,951.43**		1,953.93

Note:

Aggregate of Unquoted Investments	(At Cost less Provisions)	**463.83**	466.33
Aggregate of Quoted Investments	(At Book Value)	**1,487.60**	1,487.60
	(At Market Value)	**24,517.10**	24,453.00

NOTE 12

LONG TERM LOANS AND ADVANCES

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Capital advances to vendors		**21.28**	195.24
Security Deposits		**661.72**	697.10
MAT Credit Entitlement		**1,207.03**	825.22
	TOTAL	**1,890.03**	1,717.56

NOTE 13

CURRENT INVESTMENTS

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

	As at March 31, 2015 No. of Units	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 No. of Units	As at March 31, 2014 (Rs. in Lacs)
MUTUAL FUNDS				
Pramerica Liquid Fund - Growth Option	102,826	**1,535.00**	38,018	520.00
TOTAL		**1,535.00**		520.00
Aggregate of Quoted Investments				
(At Book Value)		**1,535.00**		520.00
(At Market Value)		**1,536.10**		520.56

NOTE 14

INVENTORIES

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

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Raw Materials (incl stock in transit of Rs. 661.71 Lacs, Previous Year – Rs. 771.01 Lacs)	**4,716.52**	6,063.61
Stock in Process	**1,153.59**	1,912.16
Finished Goods (incl stock in transit of Rs. 1,018.64 Lacs, Previous Year – Rs. 1,251.20 Lacs)	**2,244.22**	3,052.89
Stores & Spares	**1,361.51**	1,425.34
TOTAL	**9,475.84**	12,454.00

NOTE 15

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DUE DATE		
Considered good	**15.62**	44.08
Considered doubtful	**31.95**	31.95
Less: Provision for Doubtful Debts	**(31.95)**	(31.95)
OTHER DEBTS		
Considered good	**10,363.63**	10,731.73
TOTAL	**10,379.25**	10,775.81

NOTE 16

CASH AND BANK BALANCES

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
CASH AND CASH EQUIVALENTS		
Cash on Hand	**8.73**	8.01
BANK BALANCE WITH SCHEDULED BANKS		
Current Accounts	**799.62**	339.11
Fixed Deposits with origin less than three months	**52.00**	52.00
Sub Total (a)	**860.35**	399.12
EARMARKED BALANCES WITH BANKS		
Unclaimed Dividend Accounts	**116.50**	115.73
Sub Total (b)	**116.50**	115.73
OTHER BANK BALANCES		
Fixed Deposits (Lien with Banks)	**4.31**	2.60
Sub Total (c)	**4.31**	2.60
TOTAL (a + b + c)	**981.16**	517.45

NOTE 17

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Loans and Advances to Related Party	**2,671.25**	525.25
Advances to Vendors and Others	**1,679.50**	1,083.00
Export Benefit Receivables	**346.40**	810.01
Prepaid Expenses	**230.82**	160.49
Intercorporate Deposits	**500.00**	2,500.00
Deposits with Government Authorities & Others	**51.24**	36.73
Advance Tax (Net of Provisions)	**341.19**	387.43
Balance with Customs & Excise	**663.67**	995.43
TOTAL	**6,484.07**	6,498.34

NOTE 18

OTHER CURRENT ASSETS

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Discarded Plant & Machinery held for sale	**33.41**	93.77
Other Receivables (including related party) (Refer Note No: 26 S)	**145.47**	98.16
TOTAL	**178.88**	191.93

NOTE 19

REVENUE FROM OPERATIONS

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SALES			
Plastic Film		**97,275.29**	100,605.48
Resins		**11,945.48**	15,818.46
Others		**1,274.80**	1,039.37
	Sub-Total (a)	**110,495.57**	117,463.31
Other Operating Income			
Liabilities Wtitten Back		**28.13**	55.16
Insurance Claims Received		**170.45**	136.22
	Sub-Total (b)	**198.58**	191.38
	TOTAL (a+b)	**110,694.15**	117,654.69

NOTE 20

OTHER INCOME

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Rental Income		**315.94**	273.88
Profit on Sale of Current Investments		**22.63**	13.20
Dividend Income		**651.94**	1,476.31
Foreign Exchange Fluctuation (Net)		**153.90**	—
Interest Income		**498.14**	482.09
Other Income / Claims		**104.08**	37.11
	TOTAL	**1,746.63**	2,282.59

NOTE 21

COST OF MATERIAL CONSUMED

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	**71,426.98**	81,549.69
Packing Material	**2,271.60**	2,226.48
TOTAL	**73,698.58**	83,776.17

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Particulars of Material Consumed		
Petrochemicals *(PTA, MEG, Polypropylene)*	67,227.89	78,399.63
Packing Material	2,271.60	2,226.48
Others Raw Material	4,199.09	3,150.06
TOTAL	**73,698.58**	83,776.17
Value & percentage of Imported and Indigeneous Material consumed		
Imported (Value)	**5,245.02**	592.82
Imported (%)	**7.12%**	0.71%
Domestic (Value)	**68,453.56**	83,183.35
Domestic (%)	**92.88%**	99.29%
TOTAL (value)	**73,698.58**	83,776.17
TOTAL (%)	**100.00%**	100.00%

NOTE 22

CHANGES IN INVENTORY

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
OPENING 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
CLOSING STOCKS		
Finished Goods	**2,244.22**	3,052.89
Stock in Process - Others / Rolls	**360.01**	1,130.36
Stock in Process - Chips	**793.58**	781.80
	3,397.81	4,965.05
Add : Increase / (Decrease) in Excise Duty on Stocks	**(37.83)**	1.96
Net Changes in Inventory	**1,529.41**	(657.19)

NOTE 23

EMPLOYEE BENEFITS EXPENSE

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salaries, Wages, Bonus etc	4,035.52	3,526.09
Contribution to Provident and other Funds	415.04	220.85
Staff Welfare Expenses	351.27	360.50
TOTAL	4,801.83	4,107.44

NOTE 24

FINANCE COSTS

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest Expense	1,333.74	1,675.42
Other Borrowing Cost	286.68	343.91
TOTAL	1,620.42	2,019.33

NOTE 25

OTHER EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
MANUFACTURING EXPENSES		
Job Work Charges	—	3.24
Stores & Spares Consumed	**1,741.76**	1,845.66
Power & Fuel	**5,824.86**	5,920.13
Repairs and Maintenance		
– Building	**153.63**	89.13
– Plant & Machinery	**217.12**	246.69
Sub Total (a)	**7,937.37**	8,104.85
VALUE & PERCENTAGE OF IMPORTED AND INDIGENEOUS STORES & SPARES CONSUMED		
Imported (Value)	**537.54**	216.16
Imported (%)	**30.86%**	11.71%
Domestic (Value)	**1,204.22**	1,629.50
Domestic (%)	**69.14%**	88.29%
TOTAL (VALUE)	**1,741.76**	1,845.66
TOTAL (%)	**100.00%**	100.00%
ADMINISTRATIVE EXPENSES		
Rent	**187.56**	144.19
Insurance	**340.26**	485.14
Directors' Commission	**25.00**	24.00
Directors' Sitting Fee	**11.00**	9.60
Other Administrative Expenses	**2,689.20**	2,231.38
Sub Total (b)	**3,253.02**	2,894.31
SELLING EXPENSES		
Freight	**3,587.68**	3,252.99
Other Selling Expenses	**484.78**	645.05
Sub Total (c)	**4,072.46**	3,898.04
OTHER EXPENSES		
Asset Written Off	**3.95**	7.43
Loss on Sale of Fixed Assets (Net)	**56.55**	2.44
Donation	**1.10**	75.98
CSR Expenditure	**2.19**	—
Foreign Exchange Fluctuation (Net)	—	208.57
Provision for Doubtful Debts	—	25.17
Sub Total (d)	**63.79**	319.59
TOTAL (a + b + c + d)	**15,326.64**	15,216.79

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. 21.28 Lacs (Previous Year – Rs. 195.24 Lacs)) – Rs. 130.36 Lacs. (Previous Year – Rs. 1,777.82 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	**103.36**	113.15
Excise Duty & Customs Duty	**29.14**	29.14
Income Tax	**382.46**	232.67
Others	**25.36**	32.84

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

iii. Custom duty saved amounting to Rs. 2,639.24 Lacs (Previous Year – Rs. 1,513.89 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. 790.88 Lacs (Previous Year – Rs. 154.17 Lacs), including Rs. 2.00 Lacs (Previous Year – Rs. 2.00 Lacs) on behalf of other bodies corporate.

C. Export incentives amounting to Rs. 1,625.71 Lacs (Previous Year – Rs. 2,142.88 Lacs) are accounted for on accrual basis and have been credited to Raw Materials Consumption Account.

D. The revenue expenditure of Rs. 256.28 Lacs (Previous Year – Rs. 243.65 Lacs) and capital expenditure of Rs. 0.79 Lacs (Previous Year – Rs. 0.03 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	2014-15	2013-14
(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, 2015	As At March 31, 2014
Pre-operative expenses brought forward	599.72	179.15
Raw Material Consumed	4.58	—
Power & Fuel	2.23	—
Salary & Wages	20.26	19.15
Insurance	3.88	3.81
Other Borrowing Cost	—	—
Interest on Term Loan	42.30	117.85
Foreign Exchange Fluctuation (Net) (Refer Note: 26 J (iii)	38.20	363.68
Miscellaneous & Other Expenses	5.38	33.73
TOTAL	716.55	717.37
Less : Scrap Sales	0.50	—
	716.05	717.37
Less : Allocated and Capitalised during the year	716.05	117.65
Balance Pending Allocation Transfer to Balance Sheet	—	599.72

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

(Rs. in Lacs)

Particulars	Balance as at March 31, 2015	Maximum Outstanding Current Year	Balance as at March 31, 2014	Maximum Outstanding Previous Year
A. Subsidiaries / Step down subsidiaries				
Loans & Advances against reimbursement of expenses				
– Polyplex (Thailand) Public Company Ltd.	—	16.46	—	38.90
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	—	11.94	—	24.61
– Polyplex Resins Sanayi Ve Ticaret A.S.	—	2.76	—	22.29
– Polyplex (Asia) Pte. Ltd.	—	55.79	—	—
– Polyplex USA LLC	—	—	—	36.72
– EcoBlue Ltd.	—	0.58	—	1.69
Receivable / (Payable) against sale / purchase of material				
– Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	—	914.47	189.75	646.72
– Polyplex (Thailand) Public Company Ltd.	—	341.87	(9.13)	264.39
– Polyplex USA LLC	3,333.31	3,333.31	964.24	1,986.46
– Polyplex Trading (Shenzhen) Co. Ltd.	75.25	114.08	1.54	1.54
– Polyplex Europa B.V.	493.99	471.45	342.81	390.61
– EcoBlue Ltd.	—	28.79	—	—
B. Others				
– Interest free Loans to Employees	119.47	148.11	102.27	122.04

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

(Rs. in Lacs)

Particulars	Balance as at March 31, 2015	Maximum Outstanding Current Year	Balance as at March 31, 2014	Maximum Outstanding Previous Year
Loans Given				
Subsidiaries / Step down subsidiaries				
Peninsula Beverages and Foods Company Pvt Ltd.	**921.00**	**921.00**	500.00	500.00

ii. Loan of Rs. 921 Lacs given to Peninsula Beverages & Foods Company Pvt. Ltd. (Step down Subsidiary Company) for their business expansion whose net worth has been fully eroded. 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.

iii. Advances recoverable in cash or in kind under Loans & Advances (Note 26 G) include Nil (Previous Year – Nil) due from the Officer / Director. Maximum amount due during the Year Rs. 44.22 Lacs (Previous Year – Rs. 5.29 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	2014-15	2013-14
Total lease payment during the year *(Recognized in Statement of Profit & Loss)*	**20.10**	19.14
Minimum Lease Payments		
– Not later than one year	**NIL**	3.35
– Later than one year but not later than five year	**NIL**	NIL
– 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	**2,12,46,981**	**13,300.78**	2,60,20,184	15,640.68
	EUR	**92,82,771**	**6,267.76**	1,19,34,991	9,856.69
	JPY	**21,00,00,000**	**1,115.31**	42,00,00,000	2,512.86
Loans - Short Term	USD	**85,99,467**	**5,383.34**	36,44,432	2,190.66
	EUR	**21,65,299**	**1,462.02**	—	—
Debtors	USD	**57,38,920**	**3,591.46**	77,08,919	4,632.27
	EUR	**8,00,356**	**540.24**	13,54,669	1,118.50
Sundry Creditors	USD	**1,94,623**	**121.84**	1,45,755	87.61
	EUR	**37,281**	**25.17**	1,70,719	140.99
	JPY	**40,000**	**0.21**	—	—
Other Liabilities	USD	**92,296**	**57.78**	2,33,838	140.56

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	USD/INR	**USD**	**32,50,000**	USD/INR	USD	—
Forward Contracts	EURO/INR	**EURO**	**6,02,644**	EURO/INR	EURO	3,12,546
SWAP Deal	USD/JPY	**USD**	**20,00,000**	USD/JPY	USD	40,00,000

iii. The Company took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of Fixed Assets. During the year, loss of Rs. 139.35 Lacs (Previous Year – Nil) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of Rs. 209.32 Lacs (Previous Year – loss (net) of Rs. 103.78 Lacs) on mark to market on outstanding derivatives as on March 31, 2015 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 *	**16.08**	14.62
Tax Audit Fee *	**1.12**	1.12
Certification & Other Fees *	**8.02**	9.10
Out of Pocket Expenses	**0.83**	1.38
TOTAL	**26.05**	26.22

* Includes Service Tax

L. Expenditure in Foreign Currency:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Consultation Fees	**36.44**	15.19
Interest	**568.57**	797.57
Finance Charges	**247.80**	261.10
Brokerage & Commission	**156.14**	253.36
Others	**218.49**	234.38
Total	**1,227.44**	1,561.60

M. Earnings in Foreign Currency:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
FOB Value of Exports *(Including Deemed Exports Rs. 139.59 Lacs, Previous Year – Rs. 1,414.71 Lacs)*	**23,349.24**	25,553.50
Dividend (Gross) from Subsidiary Companies	**651.94**	1,476.31
TOTAL	**24,001.18**	27,029.81

N. Dividend remitted in Foreign Currency:

Particulars	2014-15	2013-14
Final Dividend	w.r.t. F.Y. 2013-14	w.r.t. F.Y. 2012-13
Amount of Dividend (Rs. in Lacs)	**263.16**	394.74
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	**5,045.09**	3,287.50
Stores & Spares, Chemicals & Packing Material	**726.12**	958.30
Capital Goods	**1,132.88**	585.42
TOTAL	**6,904.10**	4,831.23

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	**197.18**	172.41
Employer's Contribution to Superannuation Fund	**58.62**	53.34

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	431.88	351.26	102.12	81.77
	Current Service Cost	57.47	42.58	19.12	23.37
	Interest Cost	34.55	31.61	8.17	7.36
	Actuarial (Gain) / Loss	143.37	27.72	31.07	(2.00)
	Benefit Paid	(22.71)	(21.29)	(14.87)	(8.39)
	Defined Benefit Obligation at year end	644.56	431.88	145.61	102.11
b)	**Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets :**				
	Fair Value of Plan Assets at beginning of the year	469.76	452.48	—	—
	Expected Return on Plan Assets	44.26	39.77	—	—
	Actuarial (Gain) / Loss	(2.69)	(1.20)	—	—
	Employer Contribution	66.71	—	—	—
	Benefit Paid	(22.71)	(21.29)	—	—
	Fair Value of Plan Assets at year end	555.33	469.76	—	—
c)	**Reconciliation of Fair Value of Assets and Obligations :**				
	Fair Value of Plan Assets as at year end	555.33	469.76	—	—
	Present Value of Obligation as at year end	644.56	431.88	145.61	102.11
	Net Assets / (Liability)	(89.23)	37.88	(145.61)	(102.11)
d)	**Expenses Recognized during the year :**				
	Current Service Cost	57.47	42.58	19.12	23.37
	Interest Cost	34.55	31.61	8.17	7.36
	Expected Return on Plan Assets	(44.26)	(39.77)	—	—
	Actuarial (Gain) / Loss	146.06	28.92	31.07	(2.00)
	Expense Recognised in Statement of Profit & Loss	193.82	63.34	58.36	28.73
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)	8.00%	9.00%	8.00%	9.00%
	Rate of Escalation in Salary (per annum)	7.00%	7.00%	6.00%	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.

(Rs. in Lacs)

Particulars	As at 31st March				
	2015	2014	2013	2012	2011
Gratuity					
Obligations at year end	644.56	431.88	351.26	322.51	253.90
Plan Assets at year end, at fair value	555.33	469.76	452.48	449.26	362.72
Funded Status	**(89.23)**	**37.88**	**101.22**	**126.75**	**108.82**
Actuarial (Gain) / Loss on:					
Obligations	143.37	27.72	13.52	40.20	(34.33)
Plan Assets	2.69	1.20	(0.75)	3.13	2.26
Others					
Obligations at year end	145.61	102.11	81.77	69.79	54.04
Actuarial (Gain) / Loss on Obligation	31.07	(2.00)	(0.91)	(2.57)	(4.33)

Q. Earnings Per Share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(Rs. in Lacs)	**1,993.82**	3,260.72
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.)	**6.23**	10.19
Diluted EPS	(Rs.)	**6.23**	10.19

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

S. Related Party Disclosures (as identified by Management)

i. Parties where control exists :

Subsidiary / Step down Subsidiaries :

a. Polyplex (Thailand) Public Co Limited (PTL)

b. Polyplex (Asia) Pte. Limited (PAPL)

c. Polyplex (Singapore) Pte. Limited (PSPL)

d. Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)

e. Polyplex USA LLC (PU)

f. Polyplex Trading (Shenzhen) Co. Ltd. (PTSL)

g. PAR LLC USA (PAR LLC)

h. Polyplex America Holdings Inc (PAH)

i. Polyplex Resins Sanayi Ve Ticaret A.S. (PR) upto March 02, 2015

j. EcoBlue Ltd. (EL)

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

l. Polyplex Europa B. V. (PEBV)

m. Polyplex Paketleme Çozumleri Sanayi Ve Ticaret A.S. (PPC)

ii. Other related parties with whom transactions have taken place during the year :

Key Management Personnel (KMP) :

a. Mr. Sanjiv Saraf (Chairman)

b. Mr. Pranay Kothari (Executive Director)

c. Mr. Ashok Kumar Gurnani (Company Secretary)*

d. Mr. Manish Gupta (Chief Financial Officer)*

Relative of Key Management Personnel

a. Ms. Ritu Kothari

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

a. Beehive Systems Private Limited

b. Manupatra Information Solutions Private Limited

c. Manupatra Publishing Private Limited

d. Altivolus Infotech Private Limited

e. Dalhousie Villa Private Limited

f. Bhilangana Hydro Power Limited

g. Kotla Hydro Power Private Limited

h. Punjab Hydro Power Private Limited

i. Abohar Power Generation Private Limited

j. Kanchanjunga Power Company Private Limited

k. Uttarakhand Hydro Power Private Limited

l. Utkarsh Trading and Holdings Limited*

m. Suresh Surana & Associates LLP*

n. RSM Astute Consulting Private Limited*

* w.e.f. April 1, 2014 in accordance with Companies Act, 2013.

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**	**28.92** *(276.54)*	— *(–)*	**29.70** *(28.35)*	**26.19** *(8.16)*	**84.81** *(313.05)*
2	**Services Rendered**	**24.62** *(24.62)*	— *(–)*	— *(–)*	**148.71** *(105.02)*	**173.33** *(129.64)*
3	**Sale of Material**	**10,981.76** *(6,976.61)*	— *(–)*	— *(–)*	— *(–)*	**10,981.76** *(6,976.61)*
4	**Sale of Shares**	— *(–)*	— *(–)*	— *(–)*	**2.50** *(–)*	**2.50** *(–)*
5	**Managerial Remuneration**	— *(–)*	**368.30** *(122.24)*	— *(–)*	— *(–)*	**368.30** *(122.24)*
6	**Commission to Director**	— *(–)*	**25.00** *(24.00)*	— *(–)*	— *(–)*	**25.00** *(24.00)*
7	**Director's Sitting Fees**	— *(–)*	**11.00** *(1.80)*	— *(–)*	— *(–)*	**11.00** *(1.80)*
8	**Expenses Recovered**	**120.12** *(224.40)*	— —	— —	**134.38** *(102.35)*	**254.50** *(326.75)*
9	**Loan given during the Year**	**421.00** *(500.00)*	— *(–)*	— *(–)*	— *(–)*	**421.00** *(500.00)*
10	**Dividend Received**	**651.94** *(1,476.31)*	— *(–)*	— *(–)*	— *(–)*	**651.94** *(1,476.31)*
11	**Interest Received**	**83.21** *(12.32)*	— *(–)*	— *(–)*	**252.33** *(–)*	**335.55** *(12.32)*
	Outstanding at year end					
12	**Receivables on account of sale of Goods / Services**	**3,902.55** *(1,498.34)*	— *(–)*	— *(–)*	**4.35** *(–)*	**3,906.90** *(1,498.34)*
13	**Deposits Recoverable**	— *(–)*	— *(–)*	**20.25** *(20.25)*	**5.00** *(5.00)*	**25.25** *(25.25)*
14	**Deposits Payable**	— *(–)*	— *(–)*	— *(–)*	**4.66** *(–)*	**4.66** *(–)*
15	**Receivables on account of expenses recovered**	— *(–)*	— *(–)*	— *(–)*	**3.12** *(4.53)*	**3.12** *(4.53)*
16	**Loan**	**921.00** *(500.00)*	— *(–)*	— *(–)*	**1,725.00** *(–)*	**2,646.00** *(500.00)*
17	**Payables**	— *(9.13)*	**25.00** *(96.40)*	— —	**6.94** —	**31.94** *(105.53)*
18	**Investment in Equity / Preference Shares**	**1,951.43** *(1,951.43)*	— *(–)*	— *(–)*	— *(2.50)*	**1,951.43** *(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	KMP/Relative of KMP	Enterprises over which significant Influence exists
1. Purchase of Material / Services			
Ritu Kothari	— (–)	**29.70** *(28.35)*	— (–)
Suresh Surana & Associates LLP	— (–)	— (–)	**17.43** (–)
Dalhousie Villa Pvt. Ltd.	— (–)	— (–)	**7.92** *(7.32)*
Polyplex (Thailand) Public Co. Ltd.	**28.92** *(274.62)*	— (–)	— (–)
2. Services Rendered			
Beehive Systems Private Limited	— (–)	— (–)	**36.00** *(36.00)*
Peninsula Beverages and Foods Company Pvt. Ltd.	**24.62** *(24.62)*	— (–)	— (–)
Manupatra Information Solutions Pvt. Ltd.	— (–)	— (–)	**25.95** *(20.28)*
RSM Astute Consulting Pvt. Ltd.	— (–)	— (–)	**43.74** (–)
3. Sale of Material			
Polyplex USA LLC	**6,780.34** *(3,524.09)*	— (–)	— (–)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	**2,526.84** *(2,448.08)*	— (–)	— (–)
4. Sale of Shares			
Uttarakhand Hydro Power Private Limited	— (–)	— (–)	**2.50** (–)
5. Expenses Recovered			
Polyplex (Thailand) Public Co. Ltd.	**29.16** *(51.07)*	— (–)	— (–)
Polyplex (Asia) Pte Ltd.	**55.79** (–)	— (–)	— (–)
Altivolus Infotech Pvt. Ltd.	— (–)	— (–)	**49.33** *(37.72)*
Beehive Systems Pvt. Ltd.	— (–)	— (–)	**36.63** *(36.82)*
6. Loan given during the Year			
Peninsula Beverages and Foods Company Pvt. Ltd.	**421.00** *(500.00)*	— (–)	— (–)
7. Payment to Key Managerial Personnel			
Mr. Sanjiv Saraf	— (–)	**25.00** *(24.00)*	— (–)
Mr. Pranay Kothari	— (–)	**257.26** *(122.24)*	— (–)
Mr. Manish Gupta	— (–)	**71.74** (–)	— (–)
Mr. Ashok Kumar Gurnani	— (–)	**39.30** (–)	— (–)
8. Dividend Received			
Polyplex (Asia) Pte Ltd.	**651.94** *(1,120.16)*	— (–)	— (–)
9. Interest Received			
Utkarsh Trading and Holdings Ltd.	— (–)	— (–)	**252.33** (–)
Peninsula Beverages and Foods Company Pvt. Ltd.	**83.21** *(12.32)*	— (–)	— (–)

T. Remuneration paid / provided to Mr. Pranay Kothari, Whole Time Director for FY 2014-15 amounting to Rs. 207.60 Lacs (including contribution to Superannuation fund and Provident Fund) as per Special Resolution passed by the members on September 30, 2013, exceeds the ceiling on Managerial Remuneration as per Section 197, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules of the Companies Act, 2013, for which application for waiver from Ministry of Corporate Affairs, Government of India is in process.

U. Debtors over six months include overdue debtors aggregating to Rs. 31.95 Lacs (Previous Year – Rs. 31.95 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. Nil (Previous Year – Rs. 35.62 Lacs)

ii) On reassessment of deferred tax, liability written back amounting to Rs. Nil (Previous Year – 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 provisions has been considered necessary by the management.

W. During the current year, the Company has computed the Depreciation based on useful life of the fixed assets as prescribed under Schedule II of the Companies Act 2013 and in case of certain assets useful life as assessed by independent technical evaluation carried out by external valuer. The company has decided to charge full amount of depreciation in respect of certain assets whose life have been expired (life as per the Schedule II) to Statement of Profit and Loss in line with option given in notification no. G.S.R. 627 (E) dated 29th August 2014 issued by Ministry of Corporate Affairs. Had there not been any change in the useful life of the Fixed Assets the Profit would have been higher by Rs. 979.87 Lacs for the year ended March 2015.

X. 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.

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

Z. Figures in the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been expressed in 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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POLYPLEX CORPORATION LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of Polyplex Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31st March, 2015, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of subsidiaries whose financial statements reflect total assets of Rs. 382,308.21 Lacs as at 31st March, 2015, total revenues of Rs. 198,464.04 Lacs and net cash outflows amounting to Rs. 8,782.38 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the

amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. - refer note 27(B)(a) to the Consolidated Financial Statements.

ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer Note No. 27(D)(i), (ii) & (iii) to the Consolidated Financial Statements.

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

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

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2015

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on Consolidated Financial Statements of even date for the year ended 31st March 2015

1. In respect of the fixed assets of the Holding Company and Subsidiary Company incorporated in India:

   (a) The Holding Company and Subsidiary Company have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets have been physically verified by the management of the respective entities according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the respective entities and the nature of their fixed assets. The discrepancies noticed on such physical verification were not material.

2. In respect of the inventories of the Holding Company and a Subsidiary Company incorporated in India:

   (a) The inventories of the respective entities (except stock lying with third parties and in transit, for which confirmations have been received / materials received), have been physically verified by the management of respective entities at reasonable intervals.

   (b) The procedures of physical verification of inventories followed by the management of respective entities are reasonable and adequate in relation to the size of the respective entities and nature of their business.

   (c) In our opinion, the respective entities are maintaining proper records of inventories. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

3. i) The Holding Company has granted loan to two companies covered in the register maintained under Section 189 of the Companies Act, 2013:

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

      (b) The recovery of principal amount and interest is as per stipulation.

   ii) The Subsidiary Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods & services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. In our opinion and according to the information and explanations given to us, the Holding Company and Subsidiary Company have not accepted any deposit from the public within the meaning of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other tribunal in this regard.

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

7. According to the records of the Holding Company and Subsidiary Company and information and explanation given to us:

   (a) The respective entities are generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

(b) According to the records and information & explanations given to us, there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Duty of Custom, and Cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of Sales Tax, VAT and Duty of Excise 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 (Financial Year)	Amount (Rs. in Lacs)	Forum where disputes are pending
Holding Company				
Sale Tax Act	Sale Tax	1996-1997	18.40	High Court
		1997-1998	28.55	Deputy Commissioner (Appeal)
		1998-1999	29.05	Deputy Commissioner (Appeal)
		2008-2009	1.28	Tribunal
		2010-2011	1.71	Jt. Commissioner
U.P.Tax on Entry of Goods	Entry Tax	2001-2002	0.61	Tribunal
Central Excise Act, 1944	Excise Duty and Penalty	2009-2010	19.91	Additional Commissioner
Subsidiary Company – Nil				

Refer Note No. 27(B)(a) of Consolidated Financial Statements.

(c) i) According to the records of the Holding Company and explanation give to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.

ii) According to the records of the Subsidiary Company and explanation give to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Subsidiary Company.

8. i) The Holding Company does not have accumulated losses 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.

ii) The Subsidiary Company has been registered for a period less than five years. Accordingly, the provisions of Clause 3 (viii) of the Order are not applicable.

9. i) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.

ii) A subsidiary has no outstanding dues to financial institutions, banks or debenture holders.

10. According to the information and explanations given to us, the Holding Company and Subsidiary Company have not given any guarantee for loan taken by others from bank or financial institutions.

11. i) On the basis of information and explanations given to us, Holding Company had applied term loans for the purpose for which the loans were obtained.

ii) On the basis of information and explanations given to us, the Subsidiary Company has not raised any term loan during the year.

12. Based on the audit procedures performed and on the basis of information and explanations provided by the management of respective entities, no fraud on or by the Holding Company and Subsidiary Company has been noticed or reported during the course of our audit.

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

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2015

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2015

	PARTICULARS	NOTE	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
I	**EQUITY AND LIABILITIES**			
	Shareholder's Funds			
	Share Capital	2	3,256.32	3,256.32
	Reserves and Surplus	3	208,832.93	222,799.34
	Minority Interest		65,891.44	61,488.83
	Non Current Liabilities			
	Long Term Borrowings	4	97,306.14	144,189.63
	Other Long Term Liability	6A	85.12	102.49
	Long Term Provisions	6B	561.66	478.29
	Current Liabilities			
	Short Term Borrowings	7	55,663.51	37,903.81
	Trade Payables		20,135.52	20,645.52
	Other Current Liabilities	8	21,717.22	39,297.30
	Short Term Provisions	9	948.02	756.32
		TOTAL	474,397.88	530,917.85
II	**ASSETS**			
	Non Current Assets			
	Fixed Assets			
	Tangible Assets	10	256,281.17	249,221.18
	Intangible Assets	10	178.94	207.03
	Capital Work-in-Progress		799.64	65,260.59
	Goodwill on Consolidation		405.60	401.21
	Non Current Investments	11	—	5,959.72
	Long Term Loan and Advances	12	2,268.12	3,205.75
	Other Non-Current Assets	13	501.82	505.42
	Deferred Tax Assets (Net)	5	6,320.47	6,163.86
	Current Assets			
	Current Investments	14	1,626.05	651.54
	Inventories	15	43,434.46	52,194.97
	Trade Receivables	16	40,229.01	40,935.53
	Cash & Bank balances	17	107,436.98	93,269.61
	Short Term Loans and Advances	18	12,889.68	11,825.75
	Other Current Assets	19	2,025.94	1,115.69
		TOTAL	474,397.88	530,917.85
	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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2015

	PARTICULARS	NOTE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I	**Revenue from Operations**	20	325,907.45	323,013.74
	Less: Excise Duty		5,491.23	5,791.08
	Revenue from Operations (Net)		320,416.22	317,222.66
II	**Other Income**	21	11,790.62	3,707.44
III	**Total Revenue (I + II)**		332,206.84	320,930.10
IV	**Expenses**			
	Cost of Materials Consumed	22	201,994.59	219,055.45
	Purchases of Stock-in-trade		1,565.44	6,636.90
	Changes in Inventory	23	2,051.66	(5,030.81)
	Employee Benefit Expense	24	26,745.80	24,571.18
	Finance Costs	25	5,587.66	5,398.50
	Depreciation & Amortisation Expense (Refer Note 27N)		21,575.60	19,151.59
	Other Expenses	26	59,641.99	62,802.99
	Total Expenses		319,162.74	332,585.80
V	**Profit Before Exceptional and Extraordinary Items and Tax**		13,044.10	(11,655.70)
VI	**Exceptional Items (Gain) / Loss (Refer Note 27F)**		4,774.79	—
VII	**Profit Before Tax (V – VI)**		8,269.31	(11,655.70)
VIII	**Tax Expense**			
	Current Tax		792.12	549.93
	MAT Credit		(381.81)	(495.08)
	Deferred Tax		81.46	(6,508.25)
	Prior Period Adjustment - Tax		2.61	—
	Total		494.38	(6,453.40)
IX	**Profit for the Period before Minority Interest (VII - VIII)**		7,774.93	(5,202.30)
X	**Less: Minority Interest**		3,980.19	(4,518.91)
XI	**Profit for the Period after Minority Interest**		3,794.74	(683.39)
XII	**Earning Per Share**			
	– Basic (in Rs.)		11.86	(2.14)
	– Diluted (In Rs.)		11.86	(2.14)
	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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	PARTICULARS	2014-15 (Rs. in Lacs)		2013-14 (Rs. in Lacs)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax		**8,269.31**		(11,655.70)
	Adjusted for: -				
	Depreciation / Amortization	**21,654.44**		19,234.00	
	Provision for Doubtful Debts/ Bad Debts Written Off	**16.61**		87.73	
	Interest Expenses	**5,587.66**		5,398.50	
	Interest Income	**(2,861.03)**		(3,336.69)	
	Unrealised Foreign Exchange (Gain) / Loss	**(6,477.35)**		13,909.27	
	Excess Provision / Sundry Balances Written Back	**(28.13)**		(55.16)	
	Exceptional Item (Loss on Sales of Investment in Subsidiary)	**4,774.79**		—	
	Loss / (Gain) on Sale of Fixed Assets (Net)	**(9.22)**		(29.01)	
	Asset Written Off	**3.95**		23.76	
	Profit on Sale of Investments	**(23.61)**		(28.69)	
			22,638.11		35,203.71
	Operating Profit before Working Capital Changes		**30,907.42**		23,548.01
	Adjusted for: -				
	Trade and Other Receivables	**(2,298.23)**		(5,555.94)	
	Inventories	**1,600.24**		(8,988.83)	
	Trade Payables and Other Liability	**7,749.48**	**7,051.49**	2,417.77	(12,127.00)
	Cash Generated from Operations		**37,958.91**		11,421.01
	Taxes Paid		**(358.18)**		(68.30)
	Net Cash From Operating Activities		**37,600.73**		11,352.71
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets & CWIP Including Advances	**(15,688.11)**		(60,705.33)	
	Sale of Fixed Assets	**60.42**		378.18	
	Sale of Investment in Subsidiary	**16,884.84**		—	
	Sale of Long Term Investments	**5,959.72**		—	
	Purchase of Long Term Investments	**—**		(786.43)	
	Purchase of Short Term Investments	**(63,625.00)**		(49,638.95)	
	Sale of Short Term Investments- MF	**62,674.10**		51,081.80	
	(Decrease) / Increase in Minority Interest (Net of Dividend Paid)	**179.29**		(468.75)	
	Interest / Dividend Received	**1,987.89**		2,443.60	
	Net Cash Used In Investing Activities		**8,433.15**		(57,695.88)

	2014-15 (Rs. in Lacs)		2013-14 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Net proceeds from Long Term Borrowings	—		28,230.57	
Net repayment of Long Term Borrowings	**(34,826.29)**		—	
Net proceeds from Short Term Borrowings	**17,759.70**		9,128.41	
Interest paid	**(5,725.86)**		(5,350.37)	
Dividends paid	**(638.92)**		(948.98)	
Net Cash used In Financing Activities		**(23,431.37)**		31,059.63
D. CHANGE IN CURRENCY FLUCTUATION RESERVE				
ARISING ON CONSOLIDATION		**(8,435.14)**		18,597.19
Net Increase In Cash and Cash Equivalents		**14,167.37**		3,313.65
Cash and Cash Equivalents as at beginning of the year	43,418.70		30,058.14	
Other Bank Balances as at beginning of the year	49,850.91		59,897.82	
Total Cash & Bank Balances as at beginning of the year		**93,269.61**		89,955.96
Cash and Cash Equivalents as at end of the year	30,674.64		43,418.70	
Other Bank Balances as at end of the year	76,762.34		49,850.91	
Total Cash & Bank Balances as at end of the year		**107,436.98**		93,269.61

NOTES :
1. Cash and cash equivalent represents cash and bank balances as per Note 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

Pranay Kothari
Executive Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Place : New Delhi
Date : May 30, 2015

Ashok Kumar Gurnani
Company Secretary

Place : NOIDA
Date : May 30, 2015

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF CONSOLIDATION

The Consolidated Financial Statements (CFS) relate to Polyplex Corporation Limited (the Company), and its Subsidiaries. The CFS have 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, 2015, 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 America Holdings Inc (PAH)	U.S.A	100% (2)
Polyplex USA LLC (PU)	U.S.A	100% (6)
Peninsula Beverages and Foods Company Private Limited (PBF)	India	100% (5)
EcoBlue Limited (EcoBlue)	Thailand	80% (8)
Polyplex Europe B.V. (PEBV)	Netherland	100% (9)
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi (PP)	Turkey	100% (10)

Polyplex Resins Sanayi VE Ticaret A.S, (PR) (67% share held by PE and 33% share being held by PAPL) - Ceased to be a subsidiary w.e.f 2nd March, 2015 (Refer Note no. 27F)

(1) Includes Nil (Previous Year Nil) 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) 100% Subsidiary of PAH

(7) 100% Subsidiary of PAPL

(8) 80% share being held by PTL

(9) 100% Subsidiary of PTL

(10) 100% Subsidiary of PE

(d) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount (Rs. in Lacs)	As % of Consolidated Proft & Loss	Amount (Rs. in Lacs)
PARENT COMPANY				
Polyplex Corporation Limited	19.53	41,338.13	52.54	1,993.82
SUBSIDIARIES				
Indian				
Peninsula Beverages and Foods Company Private Limited	(0.41)	(865.58)	(15.77)	(598.46)
Foreign				
Polyplex (Asia) Pte. Limited	46.76	98,983.19	(49.37)	(1,873.30)
PAR LLC	0.62	1,311.45	1.12	42.32
Polyplex (Thailand) Public Company Limited	28.72	60,788.47	(51.72)	(1962.63)
Polyplex (Singapore) Pte. Limited	4.16	8,807.62	(0.10)	(3.94)
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	46.49	98,413.13	233.18	8,848.66
Polyplex Trading (Shenzhen) Co. Limited	0.10	214.17	(0.93)	(35.45)
Polyplex America Holdings Inc	10.44	22,091.85	12.30	466.60
Polyplex USA LLC	4.22	8,933.05	(6.56)	(249.04)
EcoBlue Limited	0.32	671.03	4.31	163.58
Polyplex Europe B.V.	0.10	205.63	1.96	74.52
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi	0.02	40.30	0.59	22.29
Polyplex Resins SansyP VE Ticaret A.S.*	–	–	5.01	190.20
TOTAL	**161.07**	**340,932.44**	**186.56**	**7,079.17**
Adjustemnt for:				
Minority Interest in Subsidiaries	(31.13)	65,891.44)	(104.89)	(3,980.19)
Total Eliminations arising of consolidation	(29.93)	(63,357.35)	18.33	695.75
TOTAL	**100.00**	**2,11,683.65**	**100.00**	**3,794.74**

* Polyplex Resins Sanayi VE Ticaret A.S. (PR) : (67% Share held by PE and 33% shares held by PAPL) - ceased to be a subsidiary w.e.f. 2nd March, 2015. (Refer Note No. 27F)

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

(f) The policy for depreciation for manufacturing unit adopted by Polyplex Corporation Limited (PCL) is Written Down Value Method (WDV) as per life prescribed in Schedule II to the Companies Act, 2013, except for Plant and Machinery running on continuous process basis, are based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represent the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The policy adopted by different subsidiaries on depreciation is enumerated below: -

(i) PTL (including subsidiaries):

Land is stated at cost. Buildings and Equipments are stated at cost less accumulated depreciation and allowance for loss on impairment assets, if any.

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight -line basis. Depreciation of other equipment is calculated on the sum of the year digits basis. The estimated useful lives of plant and equipment are as follows:

Building & Improvements	20, 50 years
Machinery & Equipment	4-20 years
Furniture, Fixtures and Office Equipments	3-10 years
Motor Vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land, machinery in transit, and assets under installation and construction.

(ii) PAPL:

Depreciation on computer begins when the assets are available for use and is calculated on the straight line basis over its estimated useful life of 4 years.

(iii) PAR LLC:

Depreciation on Condominium and Furniture & Fixture is provided for under the straight-line methods at rates sufficient to amortise the related costs over the estimated useful lives of the respective assets, which range from 5-30 Years.

(g) In case of PU, front-end fee of the loan paid to financial institution is deferred and amortized on a Straight-Line Method over the period of loan agreement.

(h) Employees Benefits

The policy on employees benefits differ in case of PE where in accordance with the existing social legislation in Turkey, the company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of liability is based upon the retirement pay ceiling announced by the Government. Such payments are calculated on the basis of 30 days' pay, (limited to a maximum of EUR 1,251 at March 31, 2015) per year of employment at the rate of pay applicable at the date of retirement or termination.

(i) Foreign Currency Transaction

In case of PTL (Including Subsidiaries), and PAPL, gain / loss on exchange difference (including derivative instruments) are transferred to Statement of Profit & Loss.

(j) Certain policies such as depreciation, deferred charges, taxation, employees benefits & foreign currency transactions (as stated above) differ from those followed by the Holding Company, as at PTL (including subsidiaries) which represent material activities prepare and present financial statements as per the IFRS. The impact of the above differences in accounting policies has not been computed.

NOTE 2

SHARE CAPITAL

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (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

Particulars	No. of Shares	No. of Shares
Shares outstanding as at the beginning of the year	**3,19,84,600**	3,19,84,600
Additions during the year	**—**	—
Shares outstanding as at the end of the year	**3,19,84,600**	3,19,84,600

SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	As at March 31, 2015 No. of Shares	As at March 31, 2014 No. of Shares
Mahalaxmi Trading & Investment Co. Ltd.	**76,22,390**	76,22,390
Secure Investments Ltd.	**55,35,744**	55,35,744
IL & FS Trust Company Ltd.	**41,65,678**	36,76,809

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

2014-15	2013-14	2012-13	2011-12	2010-11
	—	—	—	**15,992,300**

RIGHTS ATTACHING 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, 2015 (Rs. in Lacs)	As at March 31, 2014 (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
Others	**58.36**	58.36
Sub Total (a)	**424.16**	424.16
SECURITIES PREMIUM RESERVE		
As per last Balance Sheet	**15,295.69**	15,318.71
Add : Updation on Translation Adjustment	**853.91**	(45.13)
Less : Minority Interest	**418.42**	(22.11)
Sub Total (b)	**15,731.18**	15,295.69
LEGAL RESERVE #		
As per last Balance Sheet	**1,778.36**	1,781.53
Updation on Translation Adjustment	**59.82**	(3.17)
Sub Total (c)	**1,838.18**	1,778.36
GENERAL RESERVE		
As per last Balance Sheet	**5,286.20**	4,959.20
Transferred from Profit & Loss Account	**199.38**	327.00
Sub Total (d)	**5,485.58**	5,286.20
SURPLUS AS PER PROFIT & LOSS ACCOUNT		
Surplus Bought Forward	**150,572.12**	151,805.44
Add : Profit as per Profit & Loss Statement	**3,794.74**	(683.39)
Corporate Dividend Tax - Proposed Dividend - Written Back	**108.72**	—
Less : Transferred to General Reserve	**199.38**	327.00
Adjustment: Deferred Tax Adjusted (net of minority interest)	**—**	(525.48)
Proposed Dividend	**799.62**	639.69
Corporate Dividend Tax - Proposed Dividend	**27.90**	108.72
Sub Total (e)	**153,448.68**	150,572.12
FOREIGN EXCHANGE TRANSLATION RESERVE (Including arised on Consolidation)		
As per last Balance Sheet	**49,442.81**	22,991.13
Addition during the year	**(17,537.66)**	26,451.68
Sub Total (f)	**31,905.15**	49,442.81
TOTAL (a + b + c + d + e + f)	**208,832.93**	222,799.34

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, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
SECURED TERM LOANS FROM BANKS			
Rupee Term Loan		**4,687.50**	5,875.00
Foreign Currency Term Loan		**105,093.64**	164,083.00
	Sub Total (a)	**109,781.14**	169,958.00
Less: Current Portion			
Rupee Term Loan		**1,250.00**	812.50
Foreign Currency Term Loan		**11,225.00**	24,955.87
	Sub Total (b)	**12,475.00**	25,768.37
	TOTAL (a – b)	**97,306.14**	144,189.63

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, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
DEFERRED TAX (ASSETS)		
Disallowance as per Income Tax Act	**(7,036.66)**	(6,635.10)
Deferred Tax Liability		
Disallowance on account of Depreciation	**716.19**	471.24
TOTAL	**(6,320.47)**	(6,163.86)

NOTE 6A

OTHER LONG TERM LIABILITIES

Particulars	Non-Current Amount		Current Amount	
	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)	**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 (Rs. in Lacs)
Financial Lease Liability	**85.12**	102.49	**26.19**	29.28
TOTAL	**85.12**	102.49	**26.19**	29.28

NOTE 6B

LONG TERM PROVISIONS

Particulars	Non-Current Amount		Current Amount	
	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)	**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 (Rs. in Lacs)
Provision for Retirement Benefits	**561.66**	478.29	**118.73**	5.85
TOTAL	**561.66**	478.29	**118.73**	5.85

NOTE 7

SHORT TERM BORROWINGS

Particulars		**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 (Rs. in Lacs)
SECURED LOANS:			
Loans from Banks repayable on Demand		**53,901.30**	37,302.71
Buyer's Credit		**1,762.21**	—
	Sub Total (a)	**55,663.51**	37,302.71
UNSECURED LOANS:			
Loans from Banks repayable on Demand		—	601.10
	Sub Total (b)	—	601.10
	TOTAL (a + b)	**55,663.51**	37,903.81

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, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Current Maturity of Long Term Debt	12,475.00	25,768.37
Current Maturity of Finance Lease	26.19	29.28
Interest accrued but not due on borrowing	225.95	364.15
Unclaim Dividend	116.61	115.84
Other Security Deposits	141.36	139.29
Statutory liability	506.60	810.70
Creditors for Capital Expenses	359.74	3,153.94
Advance from Customers	1,228.14	2,303.44
Other liabilities	6,637.63	6,612.29
TOTAL	21,717.22	39,297.30

NOTE 9

SHORT TERM PROVISIONS

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Provision for Wealth Tax	1.77	2.06
Provision for Retirement Benefits	118.73	5.85
Proposed Dividend	799.62	639.69
Corporate Dividend Tax	27.90	108.72
TOTAL	948.02	756.32

NOTE 10

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at April 01, 2014	Additions during the year	Sale/ adjust-ments*	**As at March 31, 2015**	As at April 01, 2014	For the year	Sale/ adjust-ments	**As at March 31, 2015**	**As at March 31, 2015**	As at March 31, 2014
TANGIBLE ASSETS										
Freehold Land	9,546.51	221.49	1,376.27	**8,391.73**	—	—	—	—	**8,391.73**	9,546.51
Leasehold Land	493.33	—	—	**493.33**	102.16	5.93	—	**108.09**	**385.24**	391.17
Buildings	63,566.60	8,512.23	661.25	**71,417.58**	9,394.67	2,714.56	159.97	**11,949.26**	**59,468.32**	54,171.93
Plant & Machinery	270,330.06	24,733.22	7,267.15	**287,796.13**	88,678.95	17,222.12	3,859.00	**102,042.07**	**185,754.06**	181,651.11
Electrical Installations	2,035.50	73.91	1.50	**2,107.91**	1,005.16	429.34	1.45	**1,433.05**	**674.86**	1,030.34
Furniture & Fixtures	2,039.96	296.63	502.36	**1,834.23**	1,386.28	235.96	209.77	**1,412.47**	**421.76**	653.68
Office Equipments	2,411.00	160.63	(134.38)	**2,706.01**	1,299.07	608.92	44.34	**1,863.65**	**842.36**	1,111.93
Vehicles	1,601.52	55.54	250.26	**1,406.80**	937.01	283.98	157.03	**1,063.96**	**342.84**	664.51
TOTAL	**352,024.48**	**34,053.65**	**9,924.41**	**376,153.72**	**102,803.30**	**21,500.81**	**4,431.56**	**119,872.55**	**256,281.17**	**249,221.18**
Previous Year	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	—
INTANGIBLE ASSETS										
Computer Software	480.06	275.61	260.09	**495.58**	273.03	74.79	31.18	**316.64**	**178.94**	207.03
TOTAL	**480.06**	**275.61**	**260.09**	495.58	**273.03**	**74.79**	**31.18**	**316.64**	**178.94**	**207.03**
Previous Year	270.54	183.45	(26.07)	480.06	190.26	67.69	(15.08)	273.03	207.03	—
Grand Total - Current Year	**352,504.54**	**34,329.26**	**10,184.50**	**376,649.30**	**103,076.33**	**21,575.60**	**4,462.74**	**120,189.19**	**256,460.11**	**249,428.21**
Grand Total - Previous 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	—

Note:

* Sale/Adjustment includes adjustment of foreign exchange fluctuation loss of Rs. 7897.98 Lacs. (Previous Year gain of Rs. 10049.82 Lacs)

NOTE 11

NON-CURRENT INVESTMENTS

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

	Face Value	**As at March 31, 2015 No. of Shares**	**As at March 31, 2015 (Rs. in Lacs)**	As at March 31, 2014 No. of Shares	As at March 31, 2014 (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
Investment in Bonds			—		5,957.22
	TOTAL		—		5,959.72

Note:
– **Aggregate of Unquoted Investments** (At Cost Less Provision) — 2.50

NOTE 12

LONG TERM LOANS AND ADVANCES

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Capital Advances to Vendors	**249.84**	1,543.87
Security Deposits	**811.25**	836.66
MAT Credit Entitlement	**1,207.03**	825.22
TOTAL	**2,268.12**	3,205.75

NOTE 13

OTHER NON-CURRENT ASSETS

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Export Incentives	**36.93**	7.15
Miscellaneous Expenditure (to the extent not written off)	**108.46**	126.33
Fixed Deposit with Banks	**356.43**	371.94
TOTAL	**501.82**	505.42

NOTE 14

CURRENT INVESTMENTS

(Other than Trade)
Unquoted - Other than Shares)

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
MUTUAL FUND			
Other investment		**1,626.05**	651.54
	TOTAL	**1,626.05**	651.54

NOTE 15

INVENTORIES

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

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Raw Materials		**11,149.77**	18,304.67
(including stock in transit of Rs. 1201.35 Lacs, Previous Year – Rs. 2396.06 Lacs)			
Stock in Process		**7,661.64**	8,763.86
Finished Goods (including Traded stock)		**17,437.30**	18,424.57
(including stock in transit of Rs. 7300.33 Lacs, Previous Year – Rs. 3632.54 Lacs)			
Stores & Spares		**7,185.75**	6,701.87
	TOTAL	**43,434.46**	52,194.97

NOTE 16

TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM DUE DATE			
Considered Good		**138.27**	432.16
Considered Doubtful		**222.84**	276.67
Less: Provision for Doubtful Debts		**(222.84)**	(276.67)
OTHER DEBTS			
Unsecured, considered good		**40,090.74**	40,503.37
	TOTAL	**40,229.01**	40,935.53

NOTE 17

CASH AND BANK BALANCES

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
CASH AND CASH EQUIVALENT		
Cash on Hand	49.80	47.53
BANK BALANCE WITH SCHEDULE BANKS		
Current Accounts	799.62	339.11
Fixed Deposits with origin less than three months	52.00	52.00
BANK BALANCE WITH NON-SCHEDULE BANKS		
Current Accounts	7,847.57	15,958.98
Fixed Deposits with origin less than three months	21,925.65	27,021.08
Sub Total (a)	30,674.64	43,418.70
BALANCE WITH BANKS		
Unpaid Dividend Accounts	116.50	115.73
Fixed Deposits with origin more than one year	356.43	371.94
	472.93	487.67
Less: Fixed Deposit presented under Other Non Current Assets (Note 13)	(356.43)	(371.94)
Sub Total (b)	116.50	115.73
OTHER BANK BALANCES		
Fixed Deposits (Lien with Banks)	4.31	2.60
Fixed Deposits with origin more than three months	6,358.22	—
Fixed Deposits with origin more than one year	70,283.31	49,732.58
Sub Total (c)	76,645.84	49,735.18
TOTAL (a + b + c)	107,436.98	93,269.61

NOTE 18

SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Loans and Advances to Related Party	1,750.25	25.25
Advances to Vendors & others	8,332.54	6,254.58
Export Benefit Receivables	523.25	1,096.92
Prepaid Expenses	528.93	340.32
Inter-corporate deposit	500.00	2,500.00
Deposits with Government Authorities & Others	281.74	232.63
Advance Tax (Net of Provisions)	309.30	380.62
Balance with Customs & Excise	663.67	995.43
TOTAL	12,889.68	11,825.75

NOTE 19

OTHER CURRENT ASSETS

		As at March 31, 2015 (Rs. in Lacs)	As at March 31, 2014 (Rs. in Lacs)
Discarded Plant & Machinery held for Sale		33.41	93.77
Other Receivables		1,992.53	1,021.92
	TOTAL	2,025.94	1,115.69

NOTE 20

REVENUE FROM OPERATIONS

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SALES			
Plastic Films		308,265.32	296,377.37
Resins		13,361.37	17,029.83
Others		3,965.83	9,215.82
Gross Sales		325,592.52	322,623.02
OTHER OPERATING INCOME			
Liabilities Written Back		28.13	55.16
Insurance Claims Received		264.63	248.47
Prior Period Income		22.17	87.09
	TOTAL	325,907.45	323,013.74

NOTE 21

OTHER INCOME

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Rental Income		291.32	249.26
Profit on Sale of Current Investments		23.61	28.69
Foreign Exchange Fluctuation Gain (Net)		7,858.17	—
Interest Income		2,861.03	3,336.69
Profit on Sale of Fixed Assets (Net)		—	29.01
Miscellaneous Income		756.49	63.79
	TOTAL	11,790.62	3,707.44

NOTE 22

COST OF MATERIAL CONSUMED

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material		190,305.92	208,213.88
Packing Material		11,688.67	10,841.57
	TOTAL	201,994.59	219,055.45

NOTE 23

CHANGES IN INVENTORY

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
OPENING STOCKS		
– 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
CLOSING STOCKS		
– Finished Goods	17,437.30	18,424.57
– Stock in Process - Chips / Others	7,661.64	8,763.86
	25,098.94	27,188.43
Add : Increase / (Decrease) in Excise Duty on Stocks	(37.83)	1.96
Net Changes in Inventory	2,051.66	(5,030.81)

NOTE 24

EMPLOYEE BENEFIT EXPENSE

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salaries, Wages, Bonus etc		23,466.77	21,243.00
Contribution to Provident and other Funds		1,233.99	959.90
Staff Welfare Expenses		2,045.04	2,368.28
	TOTAL	26,745.80	24,571.18

NOTE 25

FINANCE COSTS

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest Expense	5,274.48	5,037.34
Other Borrowing Cost	313.18	361.16
TOTAL	5,587.66	5,398.50

NOTE 26

OTHER EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
MANUFACTURING EXPENSES		
Job Work Charges	0.62	3.57
Stores & Spares Consumed	5,916.48	6,569.01
Power & Fuel	21,735.59	19,806.76
Repairs and Maintenance:		
– Building	254.62	201.18
– Plant & Machinery	1,796.14	1,883.79
Sub Total (a)	29,703.45	28,464.31
ADMINISTRATIVE EXPENSES		
Rent	782.82	1,105.83
Insurance	1,556.70	1,803.08
Directors' Commission	25.00	24.00
Directors' Sitting Fee	99.56	105.65
Other Administrative Expenses	11,191.65	9,231.56
Sub Total (b)	13,655.73	12,270.12
SELLING EXPENSES		
Freight	13,476.46	11,853.00
Other Selling Expenses	2,602.30	3,103.21
Sub Total (c)	16,078.76	14,956.21
OTHER EXPENSES		
Asset Written Off	3.95	23.76
Provision for Doubtful Advance to supplier	25.17	100.08
Loss on Sale of Fixed Assets (Net)	54.41	—
Donation	13.03	82.76
Foreign Exchange Fluctuation loss (Net)	—	6,724.84
Amortisation for Pre operative expenses	78.84	82.41
Bad Debts	16.61	62.56
Provision for Doubtful Debts	-	25.17
CSR Expenditures	12.04	10.77
Sub Total (d)	204.05	7,112.35
TOTAL (a + b + c + d)	59,641.99	62,802.99

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. 249.84 Lacs, Previous Year - Rs. 1543.87 Lacs) - Rs. 141.85 Lacs (Previous Year - Rs. 6944.34 Lacs) as provided & certified by Management.

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

a) Disputed matters under litigation:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	**103.36**	113.15
Excise Duty & Customs Duty	**29.14**	29.14
Income Tax	**382.46**	232.67
Others	**25.36**	32.84

b) Custom duty saved amounting to Rs. 2639.24 Lacs (Previous Year – Rs. 1,513.89 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

c) Counter Guarantees given to/by the banks Rs. 86,495.83 Lacs (Previous Year – Rs. 1,15,628.42 Lacs) (utilised amount Rs. 75,337.77 Lacs (Previous Year – Rs. 1,04,758.15 Lacs)) including Rs. 2.00 Lacs (Previous Year – Rs. 2.00 Lacs) on behalf of other bodies corporate.

d) **Service Agreements**

Polyplex (Thailand) Public Company Limited

As at March 31, 2015, the Company had commitments totalling Rs. 1755.84 Lacs (Previous Year - Rs. 2767.58 Lacs) under various service agreements. These agreements expire between April 2015 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	**2,12,46,981**	**13,300.78**	2,60,20,184	15,640.68
	EUR	**92,82,771**	**6,267.76**	1,19,34,991	9,856.69
	JPY	**21,00,00,000**	**1,115.31**	42,00,00,000	2,512.86
Loans - Short Term	USD	**85,99,467**	**5,383.34**	36,44,432	2,190.66
	EUR	**21,65,299**	**1,462.02**	—	—
Debtors	USD	**57,38,920**	**3,591.46**	77,08,919	4,632.27
	EUR	**8,00,356**	**540.24**	13,54,669	1,118.50
Sundry Creditors	USD	**1,94,623**	**121.84**	1,45,775	87.61
	EUR	**37,281**	**25.17**	1,70,719	140.99
	JPY	**40,000**	**0.21**	—	—
Other Liabilities	USD	**92,296**	**57.78**	2,33,838	140.56

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**	86,033	46.99

(ii) The Foreign Currency Exposure that are hedged by a derivative instrument or otherwise are as follows:

POLYPLEX CORPORATION LIMITED

Particulars	Current Year			Previous Year		
	Contract Sell / Buy	Currency	Amount in (Fx)	Contract Sell / Buy	Currency	Amount in (Fx)
Forward Contracts	USD/INR	**USD**	**32,50,000**	USD/INR	USD	—
	EUR/INR	**EUR**	**6,02,644**	ENR/INR	EUR	3,12,546
SWAP Deal	USD/JPY	**USD**	**20,00,000**	USD/JPY	USD	40,00,000

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**	**38,40,000**	Baht/USD	USD	37,00,000
	USD/Baht	**USD**	**3,00,50,000**	USD/Baht	USD	2,64,20,000
	Baht/Euro	**Euro**	**4,80,000**	Baht/Euro	Euro	6,00,000
	Euro/Baht	**Euro**	**11,10,000**	Euro/Baht	Euro	8,80,000
	JPY/Baht	**Japenese Yen**	**5,56,50,000**	JPY/Baht	Japenese Yen	4,56,90,000
	Euro/TL	**Turkish Lira**	**20,00,000**	Euro/TL	Turkish Lira	14,00,000
	Euro/USD	**USD**	**25,00,000**	Euro/USD	USD	41,00,000
	USD/Euro	**Euro**	—	USD/Euro	Euro	10,00,000

(iii) Polyplex Corporation Limited took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of fixed assets. During the year, loss of Rs. 139.35 Lacs (Previous Year: Nil) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss (net) of Rs 209.32 Lacs (Previous Year: loss (net) of Rs 103.78 Lacs) on mark to market on outstanding derivatives as on March 31, 2015 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 previous year Polyplex (Thailand) Public Company Limited (PTL), a subsidiary of Company, in its consolidated financial statement had 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.

F. During the year, PAPL and PE entered into a Share Purchase Agreement (SPA) to sell their respective stake, 100% in aggregate, in Polyplex Resin Sanayi Ve Ticaraet AS,Turkey (PR) to Indorama Netherlands B.V., a wholly owned subsidiary of Indorama Ventures Public Company Limited, Thailand,(IVL). The sales transaction is executed as on 2nd March 2015, and the net loss of Rs. 4774.79 Lacs (before minority interest), arising from sale of stake in PR, has been recorded as exceptional Item. Further, the above loss does not factor in deferred sales consideration of 6 million Euro (equivalent to Rs. 4,046.04 Lacs), which is receivable in future subject to fulfilment of certain conditions stipulated in the SPA.

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)	**20.10**	19.14
Minimum Lease Payments		
– Not later than one year	**NIL**	3.35
– Later than one year but not later than five years	**NIL**	NIL
– 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, 2015 are as follows:

(Rs. in Lacs)

Payables within	Current Year	Previous Year
Not later than one year	**89.99**	114.85
Later than one year but not later than five years	**76.59**	77.80
Total	**166.58**	192.65

I. Finance Lease Agreement

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED

A subsidiary has entered into finance lease agreements to lease equipments for use in its operation. The average term of the agreements is 5 years.

(Rs. in Lacs)

Payables within	Current Year	Previous Year
Not later than one year	**26.19**	29.28
Later than one year but not later than five years	**85.12**	102.49
Total	**111.31**	131.77

J. 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	**81,085.69** (87,633.73)	**2,39,330.53** (2,33,296.36)	**3,20,416.22** (3,20,930.09)
2	Carrying Amount of Segment Assets by location of assets	**68,896.47** (77,118.91)	**3,95,774.22** (3,80,047.91)	**4,64,670.69** (4,57,166.82)
3	Capital Expenditure	**1,455.96** (6,683.20)	**10,468.60** (53,713.99)	**11,924.56** (60,397.19)

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

K. Earnings Per Share (EPS)

Particulars	Unit	Current Year	Previous Year
Net Profit / Loss for the year	(Rs. in Lacs)	**3,794.74**	**(683.39)**
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.)	**11.86**	(2.14)
Diluted EPS	(Rs.)	**11.86**	(2.14)

L. Related Party Disclosures (as identified by Management)

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

Key Management Personnel/Key Managerial Personnel (KMP)

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

Relative of Key Management Personnel

- Ms. Ritu Kothari

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

- Beehive Systems Private Limited
- Manupatra Information Solutions Private Limited
- Manupatra Publishing Private Limited
- Altivolus Infotech Private Limited
- Dalhousie Villa Private Limited
- Bhilangana Hydro Power Limited
- Kotla Hydro Power Private Limited
- Punjab Hydro Power Private Limited
- Abohar Power Generation Private Limited
- Kanchanjunga Power Company Private Limited
- Uttarakhand Hydro Power Private Limited*

– Utkarash Trading and Holdings Limited*

– Suresh Surana & Associates LLP*

– RSM Astute Consulting Private Limited*

* W.e.f. April 1, 2014 in accordance with Companies Act, 2013

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	— (–)	**29.70** *(28.35)*	**26.19** *(8.16)*	**55.89** *(36.51)*
Services Rendred	— (–)	— (–)	**148.71** *(105.02)*	**148.71** *(105.02)*
Sale of Shares	— (–)	— (–)	**2.50** (–)	**2.50** (–)
Managerial Remuneration	**398.44** *(159.58)*	— (–)	— (–)	**398.44** *(159.58)*
Commission to Director	**25.00** *(24.00)*	— (–)	— (–)	**25.00** *(24.00)*
Expenses Recovered	— (—)	— (–)	**134.38** *(102.35)*	**134.38** *(102.35)*
Director's Sitting Fees	**11.00** *(1.80)*	— (–)	— (–)	**11.00** *(1.80)*
Interest Received	— (–)	— (–)	**252.33** (–)	**252.33** (–)
Outstanding at year end				
Receivables on Account of Sale of Goods / Services	— (–)	— (–)	**4.35** (–)	**4.35** (–)
Deposit Recoverable	— (–)	**20.25** *(20.25)*	**5.00** *(5.00)*	**25.25** *(25.25)*
Deposit Payable	— (–)	— (–)	**4.66** (–)	**4.66** (–)
Receivables on account of expenses Recovered	— (–)	— (–)	**3.12** *(4.53)*	**3.12** *(4.53)*
Loan	— (–)	— (–)	**1725.00** (–)	**1725.00** (–)
Payables	**25.00** *(96.40)*	— (–)	**6.94** (–)	**31.94** *(96.40)*
Investment in Equity / Preference Shares	— (–)	— (–)	— *(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		
– Ms. Ritu Kothari	– *(–)*	29.70 *(28.35)*
– Suresh Surana & Associates, LLP	17.43 *(–)*	– *(–)*
– Dalhousie Villa Private Limited	7.92 *(7.32)*	– *(–)*
Service Rendered		
– Beehive Systems Pvt. Ltd.	36.00 *(36.00)*	– *(–)*
– Manupatra Information Solutions Pvt. Ltd.	25.95 *(20.28)*	– *(–)*
– RSM Astute Consulting Private Limited	43.74 *(–)*	– *(–)*
– Altivolus Infotech Pvt. Ltd.	15.96 *(15.96)*	– *(–)*
Expenses Recovered		
– Altivolus Infotech Pvt. Ltd.	49.33 *(37.72)*	– *(–)*
– Beehive Systems Pvt. Ltd.	36.63 *(36.82)*	– *(–)*
Sale of Shares		
– Uttarakhand Hydro Power Private Limited	2.50 *(–)*	– *(–)*
Payment to Key Managerial Personnel		
– Mr. Sanjiv Saraf	– *(–)*	55.14 *(61.34)*
– Mr. Pranay Kothari*	– *(–)*	257.26** *(122.24)*
– Mr. Manish Gupta	– *(–)*	71.74 *(–)*
– Mr. Ashok Kumar Gurnani	– *(–)*	39.30 *(–)*
Interest Received		
– Utkarsh Trading and Holdings Limited	252.33 *(–)*	– *(–)*

* To the extent payable

** Out of Rs 257.26 Lacs paid to Mr. Pranay Kothari, Rs 49.66 Lacs relates to FY 2013-14 for which approval from Central Government received during current financial year.

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

M. Remuneration paid / provided to Mr. Pranay Kothari, Whole Time Director for the Financial Year 2014-15 amounting to Rs 207.60 Lacs (including contribution to Superannuation fund and Provident fund) as per Special Resolution passed by the members on September 30, 2013, exceeds the ceiling on Managerial Remuneration as per Section

197, read with Companies (Appointment & Remuneration of Managerial Personnel) Rules of the Companies Act, 2013, for which application for approval of Ministry of Corporate Affairs, Government of India is being made.

N. During the current year, Holding Company has computed the Depreciation based on useful life of the fixed assets as prescribed under Schedule II of the Companies Act 2013 and in case of certain assets useful life as assessed by independent technical evaluation carried out by external valuer. Had there not been any change in the useful life of the Fixed Assets the Profit would have been higher by Rs 979.87 Lacs for the year ended March 2015.

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

P. 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	**Pranay Kothari** Executive Director DIN: 00004003	**Brij Kishore Soni** Director DIN: 00183432	**Manish Gupta** Chief Financial Officer
Place : New Delhi Date : May 30, 2015		**Ashok Kumar Gurnani** Company Secretary	Place : NOIDA Date : May 30, 2015

FORM AOC-I

(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

PART "A": SUBSIDIARIES

(Information in respect of each Subsidiary with amounts)

(Amount in Lacs)

Sr. No.	Name of the Subsidiary Companies and Country of Incorporation	Currency	Share Capital	Reserve & Surplus/ (Deficit)	Total Assets	Total Liabilities	Details of Investment (other than in sub-sidiaries)	Turnover/ Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	% of share-holding (Directly and/or through other Subsi-diary/ies)
1	Polyplex (Asia) Pte. Ltd., Singapore	US $ INR	11.30 704.39	1,570.80 97,916.65	1,583.38 98,700.83	1,583.38 98,700.83	66.53 4,147.18	59.60 3,715.20	(29.27) (1,824.56)	1.37 85.40	(30.64) (1,909.96)	– –	100.00%
2	Polyplex (Thailand) Public Company Ltd., Thailand	Thai Baht INR	8,000.00 15,318.16	23,747.14 45,470.31	84,634.59 162,055.78	84,634.59 162,055.78	– –	54,863.65 105,051.27	(720.78) (1,380.13)	321.77 616.12	(1,042.55) (1,996.24)	– –	51.00%
3	Polyplex (Singapore) Pte. Ltd., Singapore	Euro INR	91.45 6,166.84	54.13 3,650.20	145.62 9,819.74	145.62 9,819.74	– –	0.04 2.70	(0.05) (3.37)	0.00 –	(0.05) (3.37)	– –	51.00%
4	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S., Turkey	Euro INR	40.36 2,721.64	1,417.44 95,583.63	1,579.82 106,533.56	1,579.82 106,533.56	– –	1,018.11 68,655.22	116.35 7,845.94	1.94 130.82	114.41 7,715.12	– –	51.00%
5	Polyplex Trading (Shenzhen) Company Ltd., China	YUAN INR	27.31 274.57	(5.99) (60.22)	38.60 388.08	38.60 388.08	– –	81.71 821.51	(3.32) (33.38)	0.26 2.61	(3.58) (35.99)	– –	51.00%
6	PAR LLC, USA	US $ INR	22.00 1,371.38	(0.96) (59.84)	21.05 1,312.16	21.05 1,312.16	– –	1.92 119.68	0.79 49.25	0.09 5.61	0.70 43.63	– –	100.00%
7	Polyplex America Holdings Inc., USA	US $ INR	296.16 18,461.29	69.39 4,325.46	572.05 35,659.04	572.05 35,659.04	– –	– –	0.77 48.00	(6.86) (427.62)	7.63 475.62	– –	51.00%
8	Polyplex USA LLC, USA	US $ INR	294.59 18,363.42	(86.89) (5,416.33)	1,675.98 104,473.10	1,675.98 104,473.10	– –	1,113.08 69,384.43	(3.83) (238.75)	(6.67) (415.78)	2.84 177.03	– –	51.00%
9	Polyplex Resins Sanayi Ve Ticaret A.S. Turkey*	Euro INR	– –	– –	– –	– –	– –	1.02 68.78	2.45 165.21	– –	2.45 165.21	– –	*67.17%
10	EcoBlue Limited, Thailand	Thai Baht INR	106.50 203.92	243.95 467.11	857.10 1,641.15	857.10 1,641.15	– –	894.70 1,713.14	108.55 207.85	21.66 41.47	86.89 166.37	– –	40.80%
11	Peninsula Beverages & Foods Company Private Limited, India	INR	987.46	(1853.02)	231.46	231.46	0.10	209.50	(598.44)	–	(598.44)	–	100.00%
12	Polyplex Europe B.V. (PEBV), Netherland	Euro INR	2.00 134.87	0.97 65.41	34.14 2,302.20	34.14 2,302.20	– –	37.13 2,503.82	1.20 80.92	0.24 16.18	0.96 64.74	– –	51.00%
13	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP), Turkey	TRY INR	1.00 23.82	0.70 16.67	33.04 786.94	33.04 786.94	– –	27.71 659.99	0.99 23.58	0.18 4.29	0.81 19.29	– –	51.00%

Note :

1 The Financial Statements of the Subsidiary Companies have been converted into Indian Rupees using the following exchange rates prevailing on March 31, 2015 : US Dollar = INR 62.34, Thai Baht = INR 1.91, Euro = INR 67.43, Yuan = INR 10.05 and TRY = INR 23.82.

2 Names of Subsidiaries which are yet to commence operations : NIL

3 Names of Subsidiaries which have been liquidated or sold during the year : **Polyplex Resins Sanayi Ve Ticaret A.S., Turkey**

* Ceased to be Subsidiary w.e.f. March 2, 2015.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

NOT APPLICABLE – Company has no Associates or Joint Ventures.

Pranay Kothari Executive Director DIN: 00004003	**Brij Kishore Soni** Director DIN: 00183432	**Manish Gupta** Chief Financial Officer
	Ashok Kumar Gurnani Company Secretary	Place : NOIDA Date : May 30, 2015

NOTES

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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