



**PEARL**  
**Polymers Limited**

**PET**  
POLYETHYLENE TEREPHTHALATE  
**JARS**  
**BOTTLES**

Regd. Off. : A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020, India  
CIN : L25209DL1971PLC005535  
Tel. No. : +91-11-47385300, Fax, +91-11-47480746,  
Email : [pearl@pearlpet.net](mailto:pearl@pearlpet.net), Website: [www.pearlpet.net](http://www.pearlpet.net)

PPL/SD/LODR/ 2021

23<sup>rd</sup> September, 2021

<p><b>The Manager,</b> <b>Listing Department</b> <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5<sup>th</sup> Floor Plot No. C1, G Block Bandra, Kurla Complex Bandra (East), Mumbai- 400051</p> <p><b>(Stock Code: PEARLPOLY)</b></p>	<p><b>The Manager,</b> <b>Listing Department</b> <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai-400001</p> <p><b>(Stock Code: 523260)</b></p>
---	---

**Sub: Revised Annual Report including AGM Notice for the FY 2020-21 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

Please be informed that the Item No. 9 of the 50<sup>th</sup> AGM Notice which forms the part of Annual Report for the FY 2020-21 be read as Ordinary Resolution not Special Resolution. Earlier the wrong file was uploaded with the exchanges inadvertently. However, there is no change in the files sent to the shareholders and the correct files were sent to them. In view of this, we are enclosing herewith the revised Annual Report for the Financial Year 2020-21 including Notice of the 50<sup>th</sup> AGM of the Company.

You are requested to take the same on record.

Thanking you,

Yours faithfully,  
For Pearl Polymers Limited

Vineet Gupta  
Company Secretary & Compliance Officer

Encl: As above

# PEARL POLYMERS LIMITED



**PEARLPET<sup>®</sup>**



## 50th Annual Report 2020-21

**PEARL Polymers Limited**  
**CIN:L25209DL1971PLC005535**

**CORPORATE INFORMATION**  
**BOARD OF DIRECTORS**

Mr. Chand Seth  
Mr. Udit Seth  
Mr. Amit Seth  
Mr. Varun Seth  
Mrs. Meera Johri  
Mr. Ashish Harish Bhuva  
Mr. Anant Kanoi

Chairman Emeritus (Appointed w.e.f. 16.08.2021)  
Chairman & Managing Director (Appointed w.e.f. 16.08.2021)  
Whole Time Director (Appointed w.e.f. 16.08.2021)  
Whole Time Director  
Non -Executive Independent Director  
Non -Executive Independent Director  
Non -Executive Independent Director (Appointed w.e.f. 31.03.2021)

**CHIEF FINANCIAL OFFICER**  
Mr. Sanjeev Rikhi

**COMPANY SECRETARY**  
Mr. Vineet Gupta

**REGISTERED OFFICE**

Pearl Polymers Limited  
A-97/2, Okhla Industrial Area  
Phase-II, New Delhi - 110020  
Phone No. 011-47385300  
Fax No. 011-47480746  
E-mail: pearlsecretarial@pearlpet.net  
Website:- www.pearlpet.net

**REGISTRAR & SHARE TRANSFER AGENT**

Mas Services Limited  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II, New Delhi - 110020  
Phone No. 011-26387281-83  
Fax No.: 011-26387384  
E-mail: info@masserv.com  
Website: www.masserv.com

**BANKERS**

IDBI Bank  
Bank of Baroda

**AUDITORS**

Sehgal Mehta & Co., Chartered Accountants  
14/35, Basement, Near Joggers Park,  
East Patel Nagar, New Delhi - 110008

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice of Annual General Meeting	<b>01-25</b>
Board's Report and Management's Discussion & Analysis Report	<b>26-46</b>
Corporate Governance Report	<b>46-62</b>
Independent Auditor's Report	<b>63-69</b>
Financial Statements and Notes thereon	<b>70-91</b>



**NOTICE TO MEMBERS**

**NOTICE** is hereby given that the **Fiftieth Annual General Meeting** (“AGM”) of the Members of Pearl Polymers Limited will be held on Thursday, the 30<sup>th</sup> day of September, 2021, at 12.30 P.M. through video conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt, the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with reports of the Board of Directors and the Auditors thereon.
2. To consider re-appointment of Mr. Varun Seth (DIN: 00017552), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS****3. Appointment of Mr. Udit Seth as Director and Chairman & Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (LODR) Regulations, 2015 and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Udit Seth (DIN:00005403) as Director w.e.f the date of this meeting and as Chairman & Managing Director of the Company for a period of three (3) years w.e.f. August 16, 2021 to August 15, 2024 on the terms and conditions including remuneration as set out in explanatory statement attached hereto, with the liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Udit Seth, subject to the same not exceeding the limits specified under Schedule V and other provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** Mr. Udit Seth shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

**4. Appointment of Mr. Amit Seth as Director and Whole Time Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (LODR) Regulations, 2015 and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Amit Seth (DIN:00017395) as Director w.e.f the date of this meeting and as Whole Time Director of the Company for a period of three (3) years w.e.f. August 16, 2021 to August 15, 2024 on the terms and conditions including remuneration asset out in explanatory statement attached hereto, with the liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Amit Seth, subject to the

same not exceeding the limits specified under Schedule V and other provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** Mr. Amit Seth shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

#### 5. Re-appointment of Mr. Varun Seth as Whole Time Director of the Company

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

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (LODR) Regulations, 2015 and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and based on the recommendation of the Nomination and Remuneration Committee and performance evaluation, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Varun Seth (DIN:00017552) as Whole Time Director of the Company for a further period of three (3) years w.e.f. July 01, 2021 to June 30, 2024 on the terms and conditions including remuneration as set out in explanatory statement attached hereto, with the liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Varun Seth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** Mr. Varun Seth shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

#### 6. To revise the managerial remuneration payable to Mr. Varun Seth

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

**RESOLVED THAT** pursuant to the provisions of Section 197 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, and considering the contributions made and quality of services rendered by Mr. Varun Seth, Whole time Director (DIN: 00017552), consent of the Members of the Company be and is hereby accorded to revise the remuneration of Mr. Varun Seth as set out in explanatory statement attached hereto w.e.f 16<sup>th</sup> August, 2021. with the liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Varun Seth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

**7. To approve the Remuneration paid to Mr. Ramesh Mehra as Additional Director (Non-Executive and Non-Independent)**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197 read with the Schedule V and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, sections, rules, schedules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the recommendation of the Nomination and Remuneration Committee, and approval of the Board, remuneration paid to Mr. Ramesh Mehra as Additional Director (Non-Executive and Non-Independent) as set out in the explanatory statement, annexed hereto and forming part of this notice be and is hereby approved. “

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

**8. Appointment of Mr. Anant Kanoi as Director and Independent Director**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anant Kanoi (DIN: 000150667) who was appointed as an Additional Director in the capacity of Non-Executive & Independent Director of the Company by the Board of Directors effective March 31, 2021 in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, and in respect of whom the Company has received notice under section 160 of the Companies Act, 2013, be and is hereby appointed as a Director effective from the date of this meeting and Independent Director of the Company for a period of five years with effect from March 31, 2021 to March 30, 2026 and the term shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

**9. Increase in Remuneration/Fee of Mr. Chand Seth, Chairman Emeritus**

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

**“RESOLVED THAT** in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in pursuance of the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, including any statutory modifications(s) or re-enactment(s) thereof and other applicable provisions of law, if any, and such other consents and permissions, as may be required in this regard, and on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee and the Board, consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Chand Seth, Chairman Emeritus (Advisor) as detailed in the explanatory statement, annexed hereto and forming part of this notice.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

**10. Payment of compensation/consideration to Mr. Chand Seth for retirement from the office of Chairman & Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of section 191 (2) read with section 202 of the Companies Act, 2013 and rules made thereunder and section 197 read with the Schedule V and other applicable provisions, sections, rules, schedules of the

Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and on the recommendation of the Nomination and Remuneration Committee and the Board, consent of the members of the Company be and is hereby accorded for payment of compensation/consideration as set out in the explanatory statement, annexed hereto and forming part of this notice to Mr. Chand Seth for retirement from the office of Chairman and Managing Director.

**RESOLVED FURTHER THAT** Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary and deemed expedient to put the aforesaid resolution into effect including but not limited to filing and signing of requisite e-forms with the Registrar of Companies and any other concerned Statutory Authorities.”

By Order of the **Board of Directors**  
For **Pearl Polymers Limited**

Place: New Delhi  
Date: 14<sup>th</sup> August, 2021

Registered Office:  
A-97/2, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
**CIN: L25209DL1971PLC005535**

Sd/-  
**Vineet Gupta**  
Company Secretary  
M. No: ACS-47642

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (“SEBI Circular”), physical attendance of the Members to the AGM venue is not required and in compliance with the provisions of the MCA Circulars, the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the AGM of the Company is being held through video conferencing (VC) or other audio visual means (OAVM). The deemed venue for the 50th AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, the Corporate Members intending to send their authorized representatives to attend the AGM through VC/OAVM are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and cast their votes through e-voting.
3. The Company has appointed Ms. Rashmi Sahni, Practicing Company Secretary (Membership No. ACS: 25681; CP No: 10493, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system during the AGM, in a fair and transparent manner.
4. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to [csrashmi3011@gmail.com](mailto:csrashmi3011@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. Members can login and join the AGM 15 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) read with MCA Circulars and SEBI Circular, the Company is providing (i) facility of remote e-voting for voting before the AGM and (ii) facility of e-voting at the AGM to its Members in respect of the business to be transacted at the AGM to be held through VC/ OAVM. For this purpose, the Company has entered into an agreement with National securities Depository Limited (NSDL) as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM for such Members who are attending the Meeting and have not already cast their vote(s) by Remote e-voting will be provided by NSDL.
9. National Securities Depository Limited ("NSDL") will be providing the remote e-voting facility for participation in the AGM through VC/ OAVM Facility and e-voting during the AGM.
10. Only those members, who are present through VC or OAVM facility and have not cast their vote on resolutions through remote e-voting before the AGM and are not otherwise barred from doing so, shall be allowed to vote through e-voting system in the meeting.
11. **a) The Register of members and share transfer books of the Company will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive) for the purpose of Annual General Meeting.**  
**b) The remote e-voting period commences on Monday, September 27, 2021 (09:00 am) and ends on Wednesday, September 29, 2021 (05:00 pm). The remote e-voting module shall be disabled for voting after 5.00 PM on Wednesday, September 29, 2021. No remote e-voting shall be allowed beyond the said date and time. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 23, 2021, may cast their vote electronically by way of remote e-voting or by e-voting at the AGM. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 23, 2021.**  
**c) During the period when facility for remote e-voting is provided, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date, may opt for remote e-voting.**  
**d) At the end of the remote e-voting period, the facility for remote e-voting shall forthwith be blocked.**
12. A person who has acquired the shares and has become a member of the Company after sending the Notice of the AGM and holding shares as on the Cut-off date September 23, 2021, shall be entitled to exercise his/her vote electronically i.e. either by remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this notice or may contact our RTA or NSDL as per the details given in the notes below.
13. Once the vote on a resolution is cast by the member, he/she/it shall not be allowed to change it subsequently.
14. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, **MAS Services Limited**, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) Details of their bank account/change in bank account, if any, with original cancelled cheque and (b) change in their address, if any, with pin code number.

In case share are in demat form members are requested to update their bank detail with their depository participant.

As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. In view of the above, members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares, for ease of portfolio management and to avail various benefits of dematerialisation. Members can contact the Company or RTA for assistance in this regard.

15. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical mode. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number/ DP ID & Client ID.
16. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
17. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report including audited financial statements for the financial year 2020-21 and notice of 50<sup>TH</sup> AGM are being sent only through electronic mode to those Members who have registered their mail address. The Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id and Bank details with the Company/RTA/Depository Participant you may register your email id in following manner.

<b>Physical Holding</b>	<p>Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at <a href="mailto:info@masserv.com">info@masserv.com</a> providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address.</p> <p>Please send your bank details with original cancelled cheque to our RTA (i.e. MAS Services Limited, T-34, 2nd floor, Okhla industrial area phase-II, New Delhi 110020 alongwith letter mentioning folio no. If not registered already.) For any query related to this, Members may contact the RTA at 011 26387281/82/83.</p>
<b>Demat Holding</b>	<p>Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.</p>

18. Members may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at [www.pearlpet.net](http://www.pearlpet.net). The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of on the website of NSDL <https://www.evoting.nsdl.com>.
19. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **September 23, 2021**, shall be entitled to avail the facility of remote e-voting before the AGM as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
20. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
21. Pursuant to Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of fixed deposit remaining unpaid /unclaimed for a period of seven years has been transferred to the Investor Education and Protection Fund (IEPF) established by the

Central Government of India. Further, the Company has uploaded the necessary information in respect of the unclaimed amount on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Company's website at [www.pearlpet.net](http://www.pearlpet.net)

22. All shareholders/members attending AGM through VC or OAVM, who wish to speak or pose questions shall register themselves on or before 25<sup>th</sup> September, 2021 with their Folio no. DP ID/Client ID, E-mail id and Mobile no. by sending questions they want to pose on the below mentioned e-mail ID at [pearlsecretarial@pearlpet.net](mailto:pearlsecretarial@pearlpet.net). The Shareholders will be allowed to pose questions to the Board after the commencement of the Annual General Meeting as registered on or before the abovementioned date. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
23. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
24. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
25. All documents referred to in the accompanying Notice and statutory registers maintained as per the Companies Act shall be open for inspection at the request of the shareholders in e-form at the AGM. The shareholder wanting to inspect the documents/records will have to put in prior requests so that the Company can facilitate the request.
26. The Chairman of the Board will commence the proceedings of the Meeting. Unless the Articles of the Company require any specific person to be appointed as a Chairman for the meeting, the Chairman of the meeting shall be appointed in the following manner:
  - a. Where there are less than 50 members present, the Chairman shall be appointed in accordance with Section 104.
  - b. In all other cases, the Chairman shall be appointed by a poll.
27. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
28. The recorded transcript of the forthcoming AGM, shall also be made available on the website of the Company [www.pearlpet.net](http://www.pearlpet.net) as soon as possible after the Meeting is over.
29. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through Remote e-voting and E-Voting at AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.pearlpet.net](http://www.pearlpet.net) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be simultaneously forwarded to the National Stock Exchange of India Limited, BSE Limited. Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the AGM.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER: -**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in dematmode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43</p>

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e.Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL to your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.****How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csrashmi3011@gmail.com](mailto:csrashmi3011@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800

1020 990 and 1800 22 44 30 or send a request to Amit Vishal, Assistant Vice president, NSDL [atevoting@nsdl.co.in](mailto:atevoting@nsdl.co.in). Further, members may also contact Mr. Deepanshu Rastogi, Assistant Manager, MAS Services Limited, RTA of the Company at T-34, 2<sup>nd</sup> Floor, okhla Industrial Area, Phase-II, New Delhi-110020, Phone No. 011-26387281/82/83, EMail [info@masserv.com](mailto:info@masserv.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@masserv.com](mailto:info@masserv.com).
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Udit Seth (DIN: 00005403) as an Additional Director of the Company under Section 161(1) of the Act and pursuant to the powers

conferred by the Articles of Association, with effect from 10th August, 2021. In terms of Section 161(1) of the Act, Mr. Udit Seth holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from Mr. Udit Seth signifying his intention to propose his appointment as a Director. The Board has also appointed Mr. Udit Seth as the Chairman and Managing Director of the Company for a period of three (3) years from 16<sup>th</sup> August, 2021 upto 15<sup>th</sup> August, 2024, upon the terms & conditions and remuneration hereinafter indicated, subject to approval of the Members.

Mr. Udit Seth is associated with the Company since 01st April, 2006. He has around 15 years of experience. Mr. Udit Seth holds Bachelor's degree in science from USA and has worked with the Company as the Vice President-Sales & Marketing, an office/place of profit in the Company for reviewing and developing new marketing strategies and improving company operations and was associated with the Company in the capacity of Executive Director (related party's appointment in Office or place of profit- not on the Board) before his appointment. With his vast knowledge and expertise in the field, Mr. Udit Seth has contributed tremendously in accomplishing the corporate goals. Keeping in view his experience and association with the Company, it is considered prudent to appoint Mr. Udit Seth as Director and Chairman & Managing Director of the Company.

As the Company has suffered losses in the FY 2020-21, the said appointment of Mr. Udit Seth as per the remuneration below also requires the approval of the members of the Company by way of Ordinary Resolution as per the provisions of Companies Act, 2013 as mentioned in the Resolution.

The terms and conditions of appointment of Mr. Udit Seth and remuneration payable to him are as under:

**A. REMUNERATION** including Basic salary, House rent allowance and other allowances aggregating to, but not exceeding Rs.3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month.

**B. PERQUISITES AND OTHER BENEFITS**

In addition to the aforesaid remuneration, Mr. Udit Seth will be entitled to the following perquisites and the monetary value of such perquisites and benefits being limited to 50% of the Remuneration as aforesaid:

1. Leave Travel Concession, House maintenance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs
2. **Provident Fund, Superannuation Fund, Gratuity:** Company's contribution to Provident Fund and Superannuation Fund and payment of Gratuity would be as per the rules of the Company subject to a ceiling as laid down under the Income Tax Rules, 1962
3. Telephone and mobile facility at the Company's cost
4. Medical expenses for self and family as per the rules of the Company
5. Medical Insurance as per the Company's policy
6. Use of Company's car with driver
7. Any other expenses incurred/reimbursed not specifically included hereinabove for not for official purposes

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. Udit Seth shall be within the limit prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act').

The Company's contribution to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the perquisites aforesaid.

Use of Company's car with driver for business of the Company as per the rules of the Company and free telephone and mobile facility at the Company's cost for official purposes shall not be included in the computation of perquisites and benefits for the purpose of calculating the said ceiling. However, personal long distance cost shall be billed to the appointee.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

In the event of absence or inadequacy of profits in any Financial Year(s) Mr. Udit Seth should be paid a minimum remuneration as aforesaid or as may be actually paid to him at the discretion of the Company not exceeding the aforesaid limit of

Rs.3,50,000/- (Rupees Three Lacs Fifty Thousand Only) p.m. and the permissible perquisites as aforesaid in accordance with schedule V to the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Udit Seth's vast knowledge and varied experience will be of great value to the Company.

In view of above and in compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, it is proposed to seek the Members' approval by way of Ordinary Resolution for the appointment of and remuneration payable to Mr. Udit Seth as the Director and Chairman & Managing Director of the Company.

Except Mr. Udit Seth, Mr. Varun Seth, Mr. Amit Seth and their relatives, none of the Directors or Key Managerial Personnel or their relatives is in any way financially or otherwise concerned or interested in the resolution, except in their capacity as shareholders.

#### **ITEM NO. 4**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Amit Seth (DIN: 00017395) as an Additional Director of the Company under Section 161(1) of the Act and pursuant to the powers conferred by the Articles of Association, with effect from 10th August, 2021. In terms of Section 161(1) of the Act, Mr. Amit Seth holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from Mr. Amit Seth signifying his intention to propose his appointment as a Director. The Board has also appointed Mr. Amit Seth as the Whole Time Director of the Company for a period of three (3) years from 16<sup>th</sup> August, 2021 upto 15<sup>th</sup> August, 2024, upon the terms & conditions and remuneration hereinafter indicated, subject to approval of the Members.

Mr. Amit Seth is associated with the Company since 01st July, 1993. He has around 28 years of experience. Mr. Amit Seth holds Bachelor's degree in Business Administration from USA and has rich experience and expertise in handling business operations. He has taken various decisions in the interest of the Company in the past. He was working as Executive Director (related party's appointment to office or place of profit- not on the Board) before his appointment on the Board. Keeping in view his experience and association with the Company, it is considered prudent to appoint Mr. Amit Seth as Director and Whole Time Director of the Company.

As the Company has suffered losses in the FY 2020-21, the said appointment of Mr. Amit Seth as per the remuneration below also requires the approval of the members of the Company by way of Ordinary Resolution as per the provisions of Companies Act, 2013 as mentioned in the Resolution.

The terms and conditions of appointment of Mr. Amit Seth and remuneration payable to him are as under:

**A. REMUNERATION** including Basic salary, House rent allowance and other allowances aggregating to, but not exceeding Rs.3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month.

#### **B. PERQUISITES AND OTHER BENEFITS**

In addition to the aforesaid remuneration, Mr. Amit Seth will be entitled to the following perquisites and the monetary value of such perquisites and benefits being limited to 50% of the Remuneration as aforesaid:

1. Leave Travel Concession, House maintenance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs
2. **Provident Fund, Superannuation Fund, Gratuity:** Company's contribution to Provident Fund and Superannuation Fund and payment of Gratuity would be as per the rules of the Company subject to a ceiling as laid down under the Income Tax Rules, 1962
3. Telephone and mobile facility at the Company's cost
4. Medical expenses for self and family as per the rules of the Company
5. Medical Insurance as per the Company's policy
6. Use of Company's car with driver

7. Any other expenses incurred/reimbursed not specifically included hereinabove for not for official purposes.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. Amit Seth shall be within the limit prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act').

The Company's contribution to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the perquisites aforesaid.

Use of Company's car with driver for business of the Company as per the rules of the Company and free telephone and mobile facility at the Company's cost for official purposes shall not be included in the computation of perquisites and benefits for the purpose of calculating the said ceiling. However, personal long distance cost shall be billed to the appointee.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

In the event of absence or inadequacy of profits in any Financial Year(s) Mr. Amit Seth should be paid a minimum remuneration as aforesaid or as may be actually paid to him at the discretion of the Company not exceeding the aforesaid limit of Rs.3,50,000/- (Rupees Three Lacs Fifty Thousand Only) p.m. and the permissible perquisites as aforesaid in accordance with schedule V to the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Amit Seth's vast knowledge and varied experience will be of great value to the Company.

In view of above and in compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, it is proposed to seek the Members' approval by way of Ordinary Resolution for the appointment of and remuneration payable to Mr. Amit Seth as the Director and Whole Time Director of the Company.

Except Mr. Amit Seth, Mr. Varun Seth, Mr. Udit Seth and their relatives, none of the Directors or Key Managerial Personnel or their relatives is in any way financially or otherwise concerned or interested in the resolution, except in their capacity as shareholders.

#### **ITEM NO. 5**

Mr. Varun Seth was re-appointed as Whole Time Director of the Company w.e.f. July 01, 2018 for a period of three years by the members of the Company in 47<sup>th</sup> Annual General Meeting of the Company through ordinary resolution. The said tenure of his re-appointment ended on June 30, 2021. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee has in its meeting held on June 30, 2021 re-appointed Mr. Varun Seth (DIN: 00017395) as the Whole Time Director of the Company for a period starting from July 01, 2021 and ending on June 30, 2024 subject to the approval of the members of the Company by Ordinary Resolution in the ensuing Annual General Meeting.

As the Company has suffered losses in the FY 2020-21, the said re-appointment of Mr. Varun Seth as per the remuneration below also requires the approval of the members of the Company by way of Ordinary Resolution as per the provisions of Companies Act, 2013 as mentioned in the Resolution.

The terms and conditions of re-appointment of Mr. Varun Seth and remuneration payable to him are as under:

**A. REMUNERATION** including Basic salary, Medical Reimbursement, Leave Travel Concession, other perquisites and reimbursement of expenditure on gas, electricity, water, maintenance etc. aggregating to, but not exceeding Rs.3,50,000/- (Rupees Three Lakh Fifty Thousand Only) per month.

#### **B. PERQUISITES AND OTHER BENEFITS**

1. **Provident Fund:** Company's contribution to Provident Fund, if applicable, as per rules of the Company will be subject to a ceiling of 12% of the salary as laid down under the Income Tax Rules, 1962.

2. **Superannuation Fund or Annuity Fund, Gratuity:** Company's contribution to superannuation fund or annuity fund, gratuity payable as per the rules of the Company.
3. **Earned/ Privileged Leave:** As per the Rules of the Company, the leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure as per the rules of the Company.
4. **Medical reimbursement/allowance:** Reimbursement of actual expenses for self and family and/or allowances will be paid as per the rules of the Company.
5. **Free use of Company's car with driver for business of the Company/Expenses in relation to Company's Car as per the rules of the Company.**
6. **Free telephone and mobile facility at the Company's cost for official purposes. However, personal long distance cost shall be billed to the appointee.**
7. **Any other expenses incurred/reimbursed not specifically included hereinabove for official purposes.**

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

In the event of absence or inadequacy of profits in any Financial Year(s) Mr. Varun Seth should be paid a minimum remuneration as aforesaid or as may be actually paid to him at the discretion of the Company not exceeding the aforesaid limit of Rs.3,50,000/- (Rupees Three Lakh Fifty Thousand Only) p.m. and the permissible perquisites in accordance with schedule V to the Companies Act, 2013.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Varun Seth's vast knowledge and varied experience will be of great value to the Company.

In view of above and in compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, it is proposed to seek the Members' approval by way of Ordinary Resolution for the appointment of and remuneration payable to Mr. Varun Seth as the Whole Time Director of the Company.

Except Mr. Varun Seth, Mr. Udit Seth, Mr. Amit Seth and their relatives, none of the Directors or Key Managerial Personnel or their relatives is in any way financially or otherwise concerned or interested in the resolution, except in their capacity as shareholders.

#### **ITEM NO. 6**

As per the recommendation of Nomination and Remuneration Committee, Mr. Varun Seth is re-appointed as Whole Time Director of the Company for a period of three (3) years w.e.f 01<sup>st</sup> July, 2021 by the Board at its Board Meeting held on 30<sup>th</sup> June, 2021 which is subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company.

Further, considering the contribution of Mr. Varun Seth and decisions taken by him in the interest of the Company and responsibilities shouldered by him and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 14<sup>th</sup> August, 2021 approved the revision in the remuneration of Mr. Varun Seth effective 16<sup>th</sup> August, 2021 for a remaining tenure of his office as Whole Time Director as per the details given below:

**A. REMUNERATION** including Basic salary, House rent allowance and other allowances aggregating to, but not exceeding Rs.4,00,000/- (Rupees Four Lacs Only) per month.

#### **B. PERQUISITES AND OTHER BENEFITS**

In addition to the aforesaid remuneration, Mr. Varun Seth will be entitled to the following perquisites and the monetary value of such perquisites and benefits being limited to 50% of the Remuneration as aforesaid:

1. Leave Travel Concession, House maintenance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs
2. **Provident Fund, Superannuation Fund, Gratuity:** Company's contribution to Provident Fund and Superannuation Fund and payment of Gratuity would be as per the rules of the Company subject to a ceiling as laid down under the Income Tax Rules, 1962
3. Telephone and mobile facility at the Company's cost
4. Medical expenses for self and family as per the rules of the Company

5. Medical Insurance as per the Company's policy
6. Use of Company's car with driver
7. Any other expenses incurred/reimbursed not specifically included hereinabove for not for official purposes.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to Mr. Varun Seth shall be within the limit prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act').

The Company's contribution to Provident Fund and Superannuation Fund to the extent these (either singly or together) are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and Encashment of Leave at the end of the tenure shall not be included in the computation of limits for the perquisites aforesaid.

Use of Company's car with driver for business of the Company as per the rules of the Company and free telephone and mobile facility at the Company's cost for official purposes shall not be included in the computation of perquisites and benefits for the purpose of calculating the said ceiling. However, personal long distance cost shall be billed to the appointee.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

In the event of absence or inadequacy of profits in any Financial Year(s) Mr. Varun Seth should be paid a minimum remuneration as aforesaid or as may be actually paid to him at the discretion of the Company not exceeding the aforesaid limit of Rs.4,00,000/- (Rupees Four Lacs Only) p.m. and the permissible perquisites as aforesaid in accordance with schedule V to the Companies Act, 2013.

Pursuant to section 197 read with Schedule V of the Companies Act, 2013, as amended from time to time, the revised remuneration of Mr. Varun Seth as decided by the Board is required to be approved by the members of the Company in the ensuing Annual General Meeting due to absence of profit in the Company. In view of this, it is proposed to seek the Members' approval for revision in remuneration of Mr. Varun Seth as the Whole Time Director of the Company.

Except Mr. Varun Seth, Mr. Udit Seth, Mr. Amit Seth and their relatives, none of the Directors or Key Managerial Personnel or their relatives is in any way financially or otherwise concerned or interested in the resolution, except in their capacity as shareholders.

#### **ITEM NO. 7**

The Shareholders of the Company had re-appointed Mr. Ramesh Mehra as Whole Time Director of the Company for the period from September 01, 2020 to March 31, 2021 by Special Resolution passed at the 49<sup>th</sup> AGM of the Company. The said tenure of Mr. Ramesh Mehra has expired on March 31, 2021 Keeping in view his professional expertise and tremendous contribution in the Company and to comply with the requirement of Regulation 17 (1)(C) of SEBI (LODR) Regulations, 2015, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Ramesh Mehra as Additional Director(Non-Executive& Non-Independent) of the Company w.e.f. April 01, 2021 on such remuneration and terms & conditions as mentioned below to hold office upto the date of ensuing Annual General Meeting:

**REMUNERATION** including Basic salary, other perquisites like telephone/mobile facility, Free use of Company's Car with driver for the business of the Company etc. aggregating to, but not exceeding Rs.1,12,080/- (Rupees One Lakh Twelve Thousand and Eighty Only) per month.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable in the absence of any such Rules, perquisites shall be valued at actual cost.

Mr. Ramesh Mehra should be paid a minimum remuneration as aforesaid or as may be actually paid to him at the discretion of the Company not exceeding the aforesaid limit of Rs.1,12,080/- (Rupees One Lakh Twelve Thousand and Eighty Only) p.m.

As per the recent amendment effective from 18<sup>th</sup> March, 2021 in the Companies Act, 2013, Pursuant to the provisions of Section 197 of the Companies Act, 2013 read with schedule V, if, in any financial year, a company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non Executive Director in accordance with Schedule V of the Companies Act, 2013 subject to the approval of the members of the Company in general meeting.

However, due to his personal reasons, Mr. Ramesh Mehra showed his inability to continue as Director of the Company and resigned from the Company w.e.f close of working hours of 12<sup>th</sup> August, 2021.

In view of above, it is proposed to pass the Resolution at Item No. 7above to approve the Remuneration paid to Mr. Ramesh Mehra as Additional Director, Non Executive and Non Independent by way of Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives is in anyway financially or otherwise concerned or interested in this resolution except in their capacity as Shareholders.

**ADDITIONAL INFORMATIONS AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013,SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 FOR MR. UDIT SETH, MR. AMIT SETH, MR. VARUN SETH AND MR. RAMESH MEHRA ARE GIVEN BELOW:**

**A. GENERAL INFORMATION:**

- (i) **Nature of Industry:**PPLis a leading Company operating in the business of manufacturing, selling and supply of bottles, jars, house wares, kitchen wares and other items
- (ii) **Expected date of commencement of commercial production:** Not Applicable.
- (iii) **Financial Performance based on given indicators:** The relevant financial figures (Audited) as under:

(Rs. In Lakhs)

Total Income	Total Expenses	Profit/Loss before Tax	Tax Expenses	Net Profit/Loss after Tax
11,528.75	12,586.37	(1,057.62)	-	(1,057.62)

- (iv) **Foreign Investments or collaborators, if any:** Not Applicable.

**B. INFORMATION ABOUT THE DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE- APPOINTMENT / APPROVAL OF REMUNERATION PAID AT THE ENSUING ANNUAL GENERAL MEETING**

Description	Mr. Udit Seth	Mr. Amit Seth	Mr. Varun Seth	Mr. Ramesh Mehra
Background details/Qualification / Experience	Mr. Udit Seth is associated with the Company since 01st April, 2006. He was appointed as the Vice President sales & marketing w.e.f 01 <sup>st</sup> April,2016 and promoted as Executive Director (office/place of profit) w.e.f 30 <sup>th</sup> May, 2011. He has around 15 years of experience. Mr. Udit Seth holds Bachelor's degree in science from USA and has rich experience in Sales & Marketing and developing new marketing strategies and improving company's operations.	Mr. Amit Seth is associated with the Company since 01st July, 1993. He has around 28 years of experience. Mr. Amit Seth holds Bachelor's degree in Business Administration from USA and has rich experience and expertise in handling business operations, legal, financial and taxation aspects etc.  He has been working with the Company as Executive Director (office/place of profit) since 2011.	Mr. Varun Seth holds Bachelor's degree in Engineering (Industrial Production). He has a rich experience of over 25 years in various fields like marketing, manufacturing etc. He has been actively involved in planning and framing of business strategies for introducing new products and clients for the Company. He has made significant contributions in the growth of Company.  Mr. Varun Seth has been Whole Time Director of the Company since 2006.	Mr. Ramesh Mehra holds Bachelor degree in Engineering and Law. He has a rich experience of over 43 years in Commercial and Marketing field.
	<b>Their contribution to the management of the Company has been immense and crucial for the new direction of the organization.</b>			
Age	40 years	50 years	48 years	72 years
Date of first appointment on the Board	10 <sup>th</sup> August, 2021	10 <sup>th</sup> August, 2021	01 <sup>st</sup> July, 2006	31 <sup>st</sup> October, 2000

Past remuneration- Approved	Not Applicable Mr. Udit Seth and Mr. Amit Seth were appointed in office/place of profit not on the Board	Not Applicable	Rs. 42.00 Lakhs P. A.	Rs. 18.00 Lakhs P. A. Past remuneration approved of Mr. Ramesh Mehra was in the capacity of Whole Time Director. The Office as Whole Time Director came to an end on 31 <sup>st</sup> March, 2021
Shareholding	6,50,069	7,22,533	7,58,311	NIL
Recognition or Awards	The Company won various awards namely World Star Award, Asia Star Award and Johnson & Johnson Worldwide Sustainability Award under their leadership.			
Job profile and responsibility	He is overall in charge of B2C Business Division, Special Projects, Business Development, Growth Strategy, Investments, Sales & Marketing, developing new marketing strategies and managing the affairs of the Company. Considering his experience, Mr. Udit Seth is well suitable for the job profile and responsibility shouldered on him.	He is involved in managing the investments, finance, taxation, legal and admin departments of the Company and in taking various decisions related to these departments from time to time. He will also be taking all other assignments as may be desired by the Company from time to time. Considering his experience, Mr. Amit Seth is well suitable for the job profile and responsibility shouldered on him.	He is involved in taking various decisions related to B2C Business Division, Special Projects, Business Development, Growth Strategy along with Mr. Udit Seth and all other affairs as expected from him from time to time in day to day business execution of the Company. Considering his experience, Mr. Varun Seth is well suitable for the job profile and responsibility shouldered on him.	His expertise in the field of law and business dynamics helped the Company in taking various decisions from time to time. His experience of over 43 years was well suited for the business of the Company. Considering his experience, Mr. Ramesh Mehra was well suitable for the profile and responsibility shouldered on him.
Expertise in specific functional area	Business Development, Growth Strategy, Sales & Marketing	Business operations, finance, legal and taxation.	Marketing, manufacturing, planning and framing of business strategies for introducing new products and clients for the Company.	Operations, engineering, Law, commercial purchase and supply chain and marketing, HR and IT
Remuneration paid/ proposed	As provided in the explanatory statement above			
Comparative remuneration profile with respect to industry, size of the Company, profile of the position & person	Considering the size of the Company, the profile of the Managing Director, Whole Time Directors, and the Director, the responsibilities shouldered by them, in depth knowledge in operations and the industry benchmarks, the remuneration proposed is commensurate with the remuneration paid to similar appointees in other Companies.			
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Apart from receiving remuneration, Mr. Udit Seth is also a member of the Promoter Group of the Company. He is the brother of Mr. Varun Seth and Mr. Amit Seth.	Apart from receiving remuneration, Mr. Amit Seth is also a member of the Promoter Group of the Company. He is the brother of Mr. Varun Seth and Mr. Udit Seth.	Apart from receiving remuneration, Mr. Varun Seth is also a member of the Promoter Group of the Company. He is the brother of Mr. Amit Seth and Mr. Udit Seth.	Apart from receiving remuneration, Mr. Ramesh Mehra doesn't have any pecuniary relationship with the Company or any managerial personnel.
Outside Directorships listed and other entities	I. MRK Shares and Stocks Private Limited II. Pearl Telefonics Private Limited III. Pacific Pearl Finance & Leasing Private Limited	I. MRK Shares and Stocks Private Limited II. Pearl Telefonics Private Limited III. Pacific Pearl Finance & Leasing Private Limited	I. Pacific Pearl Finance & Leasing Private Limited II. Theta Investment Pvt. Limited	I. Pearl Engineering Polymers Ltd II. Pearl Apartments Ltd(Listed) III. Amit Apartments Ltd

	IV. Theta Investment Private Limited V. Nustechconnect Software Private Limited  No Directorship in other listed entities	IV. Theta Investment Private Limited  No Directorship in other listed entities	No Directorship in other listed entities	IV. Speedshore Trading Company Pvt Ltd
Membership/ Chairmanship of Committees of other Companies	<b>None of the appointee holds membership/chairmanship of the committees of the Board of other Companies</b>			<b>Pearl Apartments Ltd.</b> Member of Audit Committee and Nomination & Remuneration Committee  <b>Pearl Engineering Polymers Limited</b>  Member of Audit Committee, Nomination & Remuneration Committee and Stakeholder relationship committee
Number of Board Meetings during the FY 2020-21	Not Applicable	Not Applicable	3 out of 5	3 out of 5 during his tenure as Whole Time Director of the Company

**C. OTHER INFORMATION:**

- I. **Reasons of Losses:** The operations of the company during the year were adversely impacted due to adverse market conditions at National and International Level, outbreak of COVID 19 and consequential lockdowns during the year under review and stiff competition from un-organized sector.
- II. **Steps taken or proposed to be taken for Improvement:** The Company has been taking all measures within its control to maximize efficiencies and make the Company profitable.
- III. **Expected increase in Productivity and Profits in measurable terms:** The Company is seeking to make favourable changes and making all possible efforts for the well being of the Company and its stakeholders. The Management is of opinion that B2C business division of the Company has matured at a stage that it requires greater business attention and possess high potential of growth and focusing on growing the PearlPET brand to a new level. However, due to this unprecedented situation caused by CoVID-19, it is premature to talk about profit in measurable terms.

**D. Disclosures:** The information and disclosures of the remuneration package and other relevant disclosures have been provided in the Corporate Governance Report.

**ITEM NO. 8**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Anant Kanoi(DIN: 00150667) as an Additional Director, Non-Executive and Independent of the Company under Section 161(1) of the

Act and pursuant to the powers conferred by the Articles of Association, with effect from 31<sup>st</sup> March, 2021. In terms of Section 161(1) of the Act, Mr. Anant Kanoi holds office only upto the date of the ensuing AGM and is eligible for appointment as Director and Independent Director of the Company. The Company has received a Notice under Section 160(1) of the Act signifying his intention to propose Mr. Anant Kanoi's appointment as a Director. The said appointment of Mr. Anant Kanoi is subject to approval of the Members.

Brief profile and other details of Mr. Anant Kanoi in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 are annexed to this Notice. Mr. Kanoi is not related to any Director of the Company. In terms of proviso to sub-section (5) of Section 152 read with schedule IV, the Board of Directors is of the opinion that Mr. Kanoi fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director and is independent of the Management. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Anant Kanoi's vast knowledge and varied experience will be of great value to the Company and his appointment will bring independency and transparency in the decision making process of the Board and has recommended the Resolution at Item No.8 of this Notice relating to the appointment of Mr. Anant Kanoi as a Director effective from the date of this AGM and Independent Director, not liable to retire by rotation for a period of five consecutive years w.e.f. 31<sup>st</sup> March, 2021 for your approval.

The Company has received consent from him to act as Director and declaration that he is not debarred from holding the office of Director by virtue of any SEBI Order or of any other authority and declaration regarding non disqualification under section 164 of the Companies Act, 2013. The Company has also received declaration from him declaring that he meets the criteria of Independence as per Section 149 (6) of the Companies Act, 2013 and Regulation 16 of SEBI (LODR) Regulations, 2015.

Mr. Anant Kanoi has also submitted declaration of compliance regarding application for inclusion of his name in the independent directors' data bank pursuant to Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014.

The said appointment of Mr. Anant Kanoi as Director effective from the date of this meeting and Non-Executive Independent Director w.e.f 31<sup>st</sup> March, 2021 for a period of five years with effect from March 31, 2021 to March 30, 2026 is subject to the approval of the members of the Company by way of Ordinary Resolution as per the applicable provisions of the Companies Act, 2013 read with rules made thereunder and SEBI (LODR) Regulations, 2015.

In view of above and in terms of provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, it is proposed to approve the said appointment of Mr. Anant Kanoi as Director and Independent Director by way of Ordinary Resolution as set out in item no.8 above.

Except, Mr. Kanoi, none of the other Directors, Key Managerial Personnel or their relatives is in anyway financially or otherwise concerned or interested in the Resolution at Item No. 8 of the Notice.

**INFORMATION ABOUT THE INDEPENDENT DIRECTOR SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING IN TERMS OF REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD 2**

Description	Mr. Anant Kanoi
Background details/Qualification/ Experience	Mr. Kanoi, aged 42 years, holds a Bachelor of Science degree in Industrial & Operations Engineering (I.O.E.) from the University of Michigan at Ann Arbor (USA) where he specialized in Lean Manufacturing & Supply Chain Management. He is currently serving as the Managing Director of Bhabani Pigments Pvt. Ltd. and has been working with the Company for almost two decades. Under Mr. Kanoi's guidance the company has achieved a CAGR of 20% (approx.) over the last two decades. He has also had exposure of working with international companies like Pepsi Co and Ford Motor Company in the past. He is a former President of The Entrepreneurs' Organization (EO) -New Delhi and is currently serving on the Regional Council of EO, South Asia. He was also associated with Precision Electronics Limited in the capacity of Independent Directors for the period from 08.08.2005 to 26.10.2017.

Age	42 years
Date of first appointment on the Board	31 <sup>st</sup> March, 2021
Past remuneration	Not Applicable
Shareholding	NIL
Expertise in specific functional area	Management & strategy, Operations & Engineering, commercial purchase & supply chain etc.
Remuneration proposed	Not Applicable- Will be entitled to sitting fees only
Relationship with other Directors/ managerial personnel	Not Related
Outside Directorships in other entities including listed entity	Kanoi Agro Industries Pvt Ltd Dharower Financial Services Limited Young Entrepreneurs Organisation (Delhi Chapter) Rapid Properties Private Ltd Indo Leather Private Limited Golden Pigments Pvt.Ltd. Bhabani Pigments Private Limited  All are unlisted
Membership/ Chairmanship of Committees in other entities including listed entity	Mr. Anant Kanoi was a member of the CSR Committee of Bhabani Pigments Private Limited. (Committee dissolved w.e.f 20.03.2021)
Number of Board Meetings during the FY 2020-21	Not Applicable (However, he attended 2 out of 3 Board Meetings during the period from 01.04.2021 till the date of this Notice)

**ITEM NO. 9**

After a long association of more than 50 years with the Company, Mr. Chand Seth has retired as Chairman & Managing Director of the Company w.e.f end of working hours of 14th August, 2021.

However, at the request for his guidance and assistance in the growth and expansion of the Company, Mr. Chand Seth accepted to be designated as Chairman Emeritus in the capacity of advisor and continue his invaluable association with the Company. Accordingly, based on the recommendation of the Nomination & Remuneration Committee and approval of the Audit Committee, the Board has appointed Mr. Chand Seth as Chairman Emeritus in the capacity of Advisor w.e.f 16<sup>th</sup> August, 2021 at a monthly remuneration/fee of Rs.2,50,000/- in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in pursuance of the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder initially for a period of 5 years and also recommended the increase in remuneration/fee as set forth in this statement for the approval of the shareholders.

**Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:**

a)	<b>Name of the Related Party</b>	Mr. Chand Seth
b)	<b>Name of the Director or KMP who is related, if any</b>	Mr. Udit Seth, Mr. Amit Seth and Mr. Varun Seth
c)	<b>Nature of relationship</b>	Mr. Udit Seth, Mr. Amit Seth and Mr. Varun Seth are the sons of Mr. Chand Seth and forms the part of promoter group
d)	<b>Nature, material terms, monetary value, duration, particular of the contract or arrangement:-</b>  <b>Nature of the Arrangement</b> Mr. Chand Seth's appointment as Chairman Emeritus is in the capacity of an independent advisor and not an agent or employee of the company. Mr. Chand Seth shall advise/ suggest the Board/Company Management on: a) Matters of Corporate Strategy, new business opportunities.	

	<p>b) Be the sounding board for the Company on Company policies/initiatives  c) Building the Company's image and brand equity.  d) Advise the Company's Board in any other areas that the Board/ Company Management may seek from time to time.</p> <p>Material Terms</p> <p>The appointment can be terminated by either party by giving a 3 months, prior notice in writing to other party.</p> <p><b>Monetary Terms</b></p> <p>1. <b>Payment of Fee/ Remuneration:</b> Rs.51,00,000/- (Rupees Fifty One Lac Only) per annum (subject to statutory deductions and exclusive of applicable taxes).  2. <b>Perquisites and Allowances:</b> for housing &amp; maintenance, medical insurance etc. not exceeding Rs.51,00,000/- (Rupees Fifty One Lac Only) per annum (subject to statutory deductions).  3. <b>Reimbursements:</b> All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis.  4. <b>Facilities:</b> Mr. Chand Seth shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively perform his official duties for the Company.</p> <p>The remuneration/fee, if approved by the members, shall be effective from the date of this AGM.</p>	
<p>e)</p>	<p><b>Any other information relevant or important for the Shareholders to take a decision on the proposed resolution</b></p>	<p>Mr. Chand Seth holds a degree in B.Tech (Mech.) from IIT (Kharagpur) and MS from Michigan University, USA, he has a rich experience of over 51 years in the field of Polymers. The Company won various awards namely World Star Award, Asia Star Award and Johnson &amp; Johnson Worldwide Sustainability Award under the leadership of Mr. Chand Seth as Managing Director. Mr. Chand Seth had been honoured by <b>Lifetime Achievement Award</b> for contribution to innovations and growth of the PET packaging sector in India. He was overall in charge of entire affairs of the Company. His experience in the field of polymers and his qualifications are ideally suited to the nature of our Industry, the benefits of which the Company has reaped over the years.</p>

In terms of Section 188 of the Companies Act, 2013 read with rules made thereunder, appointment to any office or place of profit in the Company at a monthly remuneration exceeding Rs.2,50,000/- is subject to prior approval of the members.

The Board recommends the same to the members for their approval by way of ordinary Resolution.

Mr. Amit Seth, Mr. Udit Seth and Mr. Varun Seth, being relatives of Mr. Chand Seth are concerned and interested in this item. None of the other Directors or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in this resolution, except to the extent of their respective shareholding in the Company, if any.

**ITEM NO. 10**

After a long association of more than 50 years with the Company, Mr. Chand Seth has retired as Chairman & Managing Director of the Company before the expiry of his tenure as chairman & Managing Director w.e.f end of working hours of 14th August, 2021.

Mr. Chand Seth was associated with the Company since 1971. He is the founding chairman of the Company. Mr. Chand Seth holds a degree in B.Tech (Mech.) from IIT (Kharagpur) and MS from Michigan University, USA. He has a rich experience of over 51 years in the field of Polymers which significantly contributed in making the Pearl a recognized brand. Under his strong leadership and strong determination, a small unit was built to multiple plants across various locations in India. He always believed in leveraging the use technology by using hitech machines in manufacturing. During his tenure as Chairman & Managing Director of the Company, Mr. Chand Seth has developed strong customer relations with large MNCs over the years and built large customer base. Under his leadership, Pearl has become leading manufacturer of rigid packaging and houseware products since its inception in 1971. The Company became the pioneer in the field of PET & PP packaging in India. Mr. Chand Seth has always been pioneer in the field of polymers. His unique business ideas and strong will made the Company survive in such a competitive environment since its inception in 1971. During his tenure in the Company, he gave employment to thousands of employees over the years and always believed in contributing for the social and noble causes.

Under his leadership:

In 1984, the Company adopted Japanese Technology to produce (PET) Bottles.

In 1991- The 1st Phase of expansion programme of the Company for raising the installed capacity of PET Jars, Bottles & Containers from 21 Million Bottles to 40 Million Bottles was completed.

Keeping in view his long term association with the Company and his contribution and efforts in the interest and growth of the Company and other stakeholders over the time span of over 50 years and loss of office on retirement, on the recommendation of the Nomination and Remuneration Committee, the Board has decided to pay him one time compensation of Rs.63,00,000/- (Rupees Sixty Three Lacs Only) as consideration on retirement pursuant to the provisions of Section 191(2), Section 202 of the Companies Act, 2013 read with rules made thereunder. Further, in case of inadequate profit or absence of profit, pursuant to section 197 read with Schedule V of the Companies Act, 2013, as amended from time to time, the payment of compensation to Mr. Chand Seth is required to be approved by the members of the Company in the ensuing Annual General Meeting by way of special resolution. In view of this, it is proposed to seek the Members' approval for such payment to Mr. Chand Seth.

Mr. Amit Seth, Mr. Udit Seth and Mr. Varun Seth, being relatives of Mr. Chand Seth are concerned and interested in this item. None of the other Directors or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in this resolution, except to the extent of their respective shareholding in the Company, if any.

**ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013, IS GIVEN BELOW:**

**A: GENERAL INFORMATION:**

- (i) **Nature of Industry:** PPL is a leading Company operating in the business of manufacturing, selling and supply of bottles, jars, house wares, kitchen wares and other items
- (ii) **Expected date of commencement of commercial production:** Not Applicable.

(iii) **Financial Performance based on given indicators:** The relevant financial figures (Audited) as under:

(Rs. In Lakhs)

Total Income	Total Expenses	Profit/Loss before Tax	Tax Expenses	Net Profit/Loss after Tax
11,528.75	12,586.37	(1,057.62)	-	(1,057.62)

(iv) **Foreign Investments or collaborators, if any:** Not Applicable.

**B. OTHER INFORMATION**

Description	Mr. Chand Seth
Background details	Mr. Chand Seth was associated with the Company since 1971. He is the founding chairman of the Company. Mr. Chand Seth holds a degree in B.Tech (Mech.) from IIT (Kharagpur) and MS from Michigan University, USA, he has a rich experience of over 51 years in the field of Polymers which significantly contributed in making the Pearl a recognized brand. Other details of Mr. Chand Seth are explained herein above.

Past remuneration-Approved	Rs.4,95,000/- PM and other benefits and perquisites.
Recognition or Awards	The Company won various awards namely World Star Award, Asia Star Award and Johnson & Johnson Worldwide Sustainability Award under the leadership of Mr. Chand Seth as Managing Director. Mr. Chand Seth had been honoured by <b>Lifetime Achievement Award</b> for contribution to innovations and growth of the PET packaging sector in India.
Job profile and responsibility	He was overall in charge of entire affairs of the Company.
Compensation proposed	As provided in the explanatory statement above
Comparative remuneration profile with respect to industry, size of the Company, profile of the position & person	Considering the size of the Company, the profile of Mr. Chand Seth in managing the entire affairs of the Company during his tenure as Chairman & Managing Director of the Company, the responsibilities shouldered by him during his tenure, in depth knowledge in operations and the industry benchmarks, the compensation proposed is nominal.
Pecuniary relationship directly or indirectly with the Company	Apart from receiving compensation as aforesaid and other remuneration during his tenure as Chairman & Managing Director, Mr. Chand Seth is also a Promoter of the Company.

**C. OTHER INFORMATION:**

- IV. **Reasons of Losses:** The operations of the company during the year were adversely impacted due to adverse market conditions at National and International Level, outbreak of COVID 19 and consequential lockdowns during the year under review and stiff competition from un-organized sector.
- V. **Steps taken or proposed to be taken for Improvement:** The Company has been taking all measures within its control to maximize efficiencies and make the Company profitable.
- VI. **Expected increase in Productivity and Profits in measurable terms:** The Company is seeking to make favourable changes and making all possible efforts for the well being of the Company and its stakeholders. The Management is of opinion that B2C business division of the Company has matured at a stage that it requires greater business attention and possess high potential of growth and focusing on growing the PearlPET brand to a new level.
- D. **Disclosures:** The information and disclosures of the remuneration paid to Mr. Chand Seth as Chairman & Managing Director and other relevant disclosures have been provided in the Corporate Governance Report.

By Order of the Board of Directors  
For Pearl Polymers Limited

Sd/-

**Vineet Gupta**  
Company Secretary  
M. No: ACS-47642

Place: New Delhi  
Date: August 14, 2021

Registered Office:  
A-97/2, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
CIN: L25209DL1971PLC005535

**BOARD'S REPORT****TO THE MEMBERS,**

Your Directors are pleased to present the 50<sup>th</sup> Annual Report of Pearl Polymers Limited ("the Company") for the financial year ended March 31, 2021.

**FINANCIAL SUMMARY**

The Company's financial performance for the financial year ended March 31, 2021 in comparison to previous financial year is summarized below:

	(Rs. in Lakhs)	
Particulars	2020-21	2019-20
Total Revenue	11,528.75	14,204.58
Total expenses	12,586.37	15,451.36
Profit/(loss) before exceptional items and tax	(1,057.62)	(1,246.78)
Less: Tax Expenses	-	(131.90)
Profit/Loss after tax	(1,057.62)	(1,114.88)

**RESERVES**

The Reserves and Surplus (excluding Revaluation Reserve) of the Company as on March 31, 2021 stood at Rs.618.34 Lakhs. No amount is proposed to be transferred to reserves during the year.

**DIVIDEND**

In view of the losses, the Board of Directors has not recommended any dividend on equity shares for the year under review.

**SHARE CAPITAL**

The Company's Capital Structure remains unchanged during the financial year 2020-21.

**STATE OF THE COMPANY'S AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY**

During the year under consideration on Standalone basis your Company has achieved total Revenue of Rs.11,528.75 Lakhs as against Rs. 14,204.58 Lakhs in the relevant previous financial year. The Company has suffered operating loss of Rs. 1,057.62 Lakhs as compared to Rs. 1,246.78 Lakhs in the previous year and recorded net loss of Rs. 1,057.62 Lakhs as compared to loss of Rs. 1,114.88 Lakhs in the previous year due to adverse market conditions at National and International Level, outbreak of COVID 19 and consequential lockdowns during the year under review and stiff competition from un-organized sector adversely affected the turnover.

During the year, there was no change in the nature of business of the Company.

**MATERIAL CHANGES EFFECTING FINANCIAL POSITION OF THE COMPANY**

During the year under review, the Company entered into a Business Transfer Agreement ("BTA") dated September 21, 2020 with Manjushree Technopack Limited ("MTL") for sale and transfer of the Company's business undertaking(s) engaged in

manufacturing, marketing, and sale of rigid plastic packaging solutions for sale, gift or supply to other business entities for packaging of products ("B2B Business") on a going concern basis, by way of a slump sale, for a lump sum consideration without values being assigned to any individual assets and liabilities, to MTL. Pursuant to the satisfactory completion of all the conditions precedent and closing actions (as agreed between the parties under the BTA), the said transaction is consummated on April 12, 2021 and the Company's B2B Business undertakings stood transferred w.e.f that date.

#### **IMPACT OF COVID-19, PREPAREDNESS AND RESPONSE BY THE COMPANY**

FY 2020-21 was an unprecedented year with Covid-19 pandemic impacting the globe and global supply chains, amidst biggest global health crisis ever faced by the world.

We are grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in a few countries in controlling the pandemic that is giving hope to humanity at large.

India was relatively successful in managing the first wave of the pandemic outbreak but unfortunately, the second wave of Covid-19 spreaded the virus much more rapidly across India, including the rural areas which were relatively less impacted in the first wave.

As per the World Bank, the global economic output is recovering from the downturn triggered by Covid-19 but it will remain below pre-pandemic trends for a prolonged period. A well-coordinated response to the pandemic will shape the future of the global economy for years to come. Covid-19 lockdown disrupted economic activity and led to unprecedented market volatility. These events lowered global economic growth, India's GDP growth and collapsed oil prices.

With the wholehearted support from all employees, suppliers and channel partners at Pearl, we managed to serve our customers and ensured sustainability in our business. Measures on continuous engagement with our employees facilitated us in safeguarding our workforce and their family members from the Covid-19 impact. We, at the Board level, are very appreciative of the support offered by the team. Without their commitment and support, we would not have been able to adopt and successfully adapt to the newer ways of working during the year. We are cautious and yet hopeful, that our efforts in this direction will help us in managing the safety of all our relevant stakeholders and serve our customers with limited disruption.

We are cautious and hopeful that with an all-out effort, we will be able to overcome the challenging situation the country is facing. We are proud of the resilience; Pearl has shown in this challenging time to ensure personal safety and at the same time, running the operations with limited interruptions, which led to a sustained performance during the year.

At Pearl Polymers Limited, we responded to these headwinds by being well-prepared through our strong core competencies and resilient business model. During the year, the Company focused on achieving its business goals hand-in-hand with cutting costs. Necessary efforts were made towards business continuity and resilience.

Efforts were made to support the work, workforce and workplace experiences by an ecosystem of virtual resources, digital technology and behaviour that has defined work as a thing we do, not a place we go to, resulting in quality performance and output. The office based employees sustained the practice of remote working/working from home with the help of adequate digital and other assistance and those working from plants and other locations ensured undertaking utmost care and precaution at all times.

The Company being in the packaging industry has supplied the packaging of essential items such as Hand Sanitizers; pharmaceutical etc. to the pharmaceutical companies and other FMCG companies and has done all possible efforts to bring in line the operations.

Our state-of-the art manufacturing units and distribution channels enabled us to timely deliver products to our customers despite the nationwide lockdown.

Business sentiments across the country are showing positive signs of recovery. The impact assessment of COVID-19 is a continuing process given the uncertainty with its durations. We at Pearl Polymers Limited will continue to monitor any material changes as the situation evolves and strive to do best in the interest of all the stakeholders.

**MATERIAL ORDERS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

There is no order passed by any regulatory authority or court or tribunal against the Company, impacting the going concern status and future operations of the Company.

**DEPOSITS**

Your Company has not accepted any deposits during the year under review, falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of fixed deposit remaining unpaid /unclaimed for a period of seven years has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government of India. Further, the Company has uploaded the necessary information in respect of the unclaimed amount on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Company's website at [www.pearlpet.net](http://www.pearlpet.net)

**CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013 are not applicable to the Company.

**HOLDING, SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES**

The Company has no Holding, Subsidiary, Associate or Joint Venture Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL****Appointments/Re-appointments/Resignations****a) Director Liable to Retire by Rotation**

Mr. Varun Seth (DIN:00017552), the Whole Time Director of the Company retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

**b) Mr. Udit Seth**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Udit Seth (DIN: 00005403) as an Additional Director of the Company under Section 161(1) of the Act and pursuant to the powers conferred by the Articles of Association, with effect from 10th August, 2021. In terms of Section 161(1) of the Act, Mr. Udit Seth holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from Mr. Udit Seth signifying his intention to propose his appointment as a Director. The Board has also appointed Mr. Udit Seth as the Chairman and Managing Director of the Company for a period of three (3) years from 16<sup>th</sup> August, 2021 upto 15<sup>th</sup> August, 2024, upon the terms & conditions and remuneration as stated in the AGM Notice, subject to approval of the Members. Accordingly, the Board recommends the proposal of his appointment as Director w.e.f the date of this AGM and Chairman & Managing Director w.e.f. 16<sup>th</sup> August, 2021 for approval of the members at the ensuing Annual General Meeting. A brief profile of Mr. Udit Seth has been provided in the AGM Notice

**c) Mr. Amit Seth**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Amit Seth (DIN: 00017395) as an Additional Director of the Company under Section 161(1) of the Act and pursuant to the powers conferred by the Articles of Association, with effect from 10th August, 2021. In terms of Section 161(1) of the Act, Mr. Amit Seth holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from Mr. Amit Seth signifying his intention to propose his appointment as a

Director. The Board has also appointed Mr. Amit Seth as the Whole Time Director of the Company for a period of three (3) years from 16<sup>th</sup> August, 2021 upto 15<sup>th</sup> August, 2024, upon the terms & conditions and remuneration as stated in the AGM Notice, subject to approval of the Members. Accordingly, the Board recommends the proposal of his appointment as Director w.e.f the date of this AGM and Whole Time Director w.e.f. 16<sup>th</sup> August, 2021 for approval of the members at the ensuing Annual General Meeting. A brief profile of Mr. Amit Seth has been provided in the AGM Notice.

**d) Mr. Varun Seth**

Mr. Varun Seth was re-appointed as Whole Time Director of the Company w.e.f. July 01, 2018 for a period of three years by the shareholders of the Company in 47<sup>th</sup> AGM. Accordingly his term of appointment was valid till June 30, 2021. In view of this and on the basis of the recommendation of the Nomination and Remuneration Committee and subject to the approval members of the Company in the ensuing Annual General Meeting, the Board has re-appointed Mr. Varun Seth as Whole Time Director for a further period of three (3) years w.e.f. July 01, 2021. Accordingly, the Board recommends the proposal of his re-appointment for approval of the members at the ensuing Annual General Meeting and same has been mentioned in the Notice convening the AGM. A brief profile of Mr. Varun Seth has also been provided therein.

**e) Mr. Anant Kanoi**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Anant Kanoi(DIN: 00150667) as an Additional Director, Non-Executive and Independent of the Company under Section 161(1) of the Act and pursuant to the powers conferred by the Articles of Association, with effect from 31<sup>st</sup> March, 2021. In terms of Section 161(1) of the Act, Mr. Anant Kanoi holds office only upto the date of the ensuing AGM and is eligible for appointment as Director and Independent Director of the Company. The Company has received a Notice under Section 160(1) of the Act signifying his intention to propose Mr. Anant Kanoi's appointment as a Director. The said appointment of Mr. Anant Kanoi is subject to approval of the Members. The Company has also received consent and all other necessary declarations and disclosures from Mr. Anant Kanoi. Accordingly, the Board recommends the proposal of appointment of Mr. Anant Kanoi as a Director effective from the date of this AGM and Independent Director, not liable to retire by rotation for a period of five consecutive years w.e.f. 31<sup>st</sup> March, 2021 for approval of the members in the ensuing AGM. A brief profile of Mr. Anant Kanoi has also been provided therein.

**f) Mr. Chand Seth**

After a long association of more than 50 years with the Company, Mr. Chand Seth has retired as Chairman & Managing Director of the Company w.e.f end of working hours of 14<sup>th</sup> August, 2021. However, at the request for his guidance and assistance in the growth and expansion of the Company, Mr. Chand Seth accepted to be designated as Chairman Emeritus in the capacity of advisor and continue his invaluable association with the Company. Accordingly, based on the recommendation of the Nomination & Remuneration Committee and approval of the Audit Committee, the Board has appointed Mr. Chand Seth as Chairman Emeritus in the capacity of Advisor w.e.f 16<sup>th</sup> August, 2021.

**g) Changes in Key Managerial Personnel**

During the year, Mr. Dinesh Kumar Tak has resigned from the office of Chief Financial Officer of the Company w.e.f close of working hours of 31<sup>st</sup> July, 2020 and the Board has appointed Mr. Sanjeev Rikhi as Chief Financial Officer of the Company w.e.f 01<sup>st</sup> August, 2020.

**h) Resignation of Independent Director**

During the year, Mr. Ravi Kumar Mehra has resigned from the office of Independent Director w.e.f 01<sup>st</sup> January, 2021 due to his health reasons. He has also confirmed that there is no other material reason for his resignation as Independent Director from the Company other than those provided.

**i) Declaration by Independent Director**

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Independent Directors fulfill the conditions specified in the Act, Rules made thereunder and Listing Regulations and possess relevant expertise & experience and are independent of the management. However, the online proficiency self-assessment test will be given by the Independent Directors as per the provisions of the Companies Act.

#### **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual Directors as per the formal mechanism for such evaluation adopted by the Board pursuant to Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of evaluation. A member of the Board did not participate in the discussion of his/her evaluation. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated.

A meeting of the Independent Directors was also held, to review the performance of the Non-Independent Directors, the Board as a whole and the Chairperson on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

#### **NOMINATION AND REMUNERATION POLICY**

Your Company has adopted a Nomination and Remuneration Policy as required by Section 178 of the Companies Act, 2013, which provides for the appointment and removal of Directors, Key Managerial Personnel & senior management, board diversity and their remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. The remuneration paid is as per the Policy. The details of such policy can be viewed on the Company's website [www.pearlpet.net](http://www.pearlpet.net).

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company, met Five (5) times during the financial year 2020-21.

31 <sup>st</sup> July, 2020	<b>Board Meetings</b>	11 <sup>th</sup> November, 2020
31 <sup>st</sup> August, 2020		12 <sup>th</sup> February, 2021
21 <sup>st</sup> September, 2020		

The Independent Directors also held separate meeting to review the performance of Non-independent Directors and overall performance of the board.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees or Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL**

The Company has put in place a policy and mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continuing basis. There are no risks which in the opinion of the Board threaten the existence of the Company. Your Company has an Internal Financial Control System which was operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of

the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **INSIDER TRADING CODE**

The details regarding insider trading code are given in the Corporate Governance section of the Annual Report. Your Company has also policy for determination of legitimate purposes in line with the PIT (Amendment) Regulations, 2018 as a part of Code of practices and procedures of fair disclosures of unpublished price sensitive information.

#### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Your Company is committed to highest standards of ethical, moral and legal business conduct. The Company has a policy on whistle blower and vigil mechanism for providing a framework to promote responsible and secure whistle blowing. It protects Directors and employees wishing to raise a concern about serious irregularities within the Company. The Policy is available on the Company's website at [www.pearlpvt.net](http://www.pearlpvt.net).

During FY 2020-21, no complaint was received. Further, no individual was denied access to the Audit Committee for reporting concerns, if any.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT), 2013**

Your Company has a policy on prevention of Sexual Harassment in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has constituted the Internal Complaints Committee. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the financial year 2020-21.

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION**

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure 'I'** and forms an integral part of this Report. A statement comprising the names of top 10 employees and other details in terms of remuneration drawn in terms of Rule 5(2)& (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this annual report but the said statement is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. However, the said information is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing AGM. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company on any working day of the Company up to the date of the ensuing Annual General Meeting.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars in respect of Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under section 134 (3)(m) of the Companies Act, 2013, read with the rules there under, are provided in **Annexure-'II'** to this report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company, to the best of their knowledge and belief confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 at March 31, 2021 and of the profit and loss of the Company for that period;

- III. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis;
- V. The Directors have laid down internal financial controls which were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- VI. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **AUDITORS**

### **a) Statutory Auditors**

#### Statutory Auditors and Auditor's Report

The shareholders of the Company at 46<sup>th</sup>AGM held on September 29, 2017 had appointed M/s. Sehgal Mehta & Co. Chartered Accountants, (ICAI Registration No-003330N), as the Statutory Auditors of the Company for a term of 5 years, subject to ratification by members at every AGM, if required under the provisions of the Companies Act, 2013. However, the Companies Amendment Act, 2017 has removed the requirement of ratification of statutory auditors and accordingly they hold their office till the conclusion of Annual General Meeting to be held in 2022.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. There are no frauds reported in the reports of the Auditors as mentioned under sub-section (12) of Section 143 of the Act.

### **b) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed Ms. Rashmi Sahni (Certificate of Practice No. 10493) Practising Company Secretary, to undertake the Secretarial Audit of the Company for FY 2020-21. Copy of Secretarial Audit Report is annexed as **Annexure-III'** to this report

The Secretarial Audit Report of your Company does not contain any qualification, reservation or adverse remark.

### **c) Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors appointed Nikhil Goel & Associates (Firm Registration No. 020934C) Chartered Accountants as an Internal Auditor of the Company to conduct an internal audit of the functions and activities of the Company for financial year 2020-21.

### **d) Cost Auditor**

The provisions regarding maintenance of Cost Records and conducting the Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company.

## **COMPLIANCE WITH THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ("ICSI") SECRETARIAL STANDARDS**

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meetings have been complied with by the Company.

**STATUTORY COMPLIANCES**

The Board periodically reviews the mechanism put in place by the management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

**RELATED PARTY TRANSACTIONS**

During the year, there were no transactions with related parties which were not at arm's length and not in the ordinary course of business as per the provisions of section 188 of the Companies Act, 2013 or materially significant or which were in conflict with the interests of the Company and that require an approval of the Company's shareholders in terms of the Companies Act or SEBI Listing Regulations. Accordingly, the disclosure of the transactions in Form AOC-2 is not applicable to your Company.

All Related Party Transactions are placed before the Audit Committee and the Board for review and approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review on a quarterly basis. The detailed policy on Related Party Transactions is available on the website of the Company at [www.pearlpet.net](http://www.pearlpet.net). The details regarding Related Party Transactions are contained in the Notes to Financial Statements.

**ANNUAL RETURN**

Pursuant to Sec 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return can be accessed at Company's website at [www.pearlpet.net](http://www.pearlpet.net).

**CORPORATE GOVERNANCE REPORT**

A Separate report on Corporate Governance along with certificate from Ms. Rashmi Sahni, Practicing Company Secretary confirming compliance with the requirement of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 as amended from time to time, forms an integral part of the Annual Report and is attached as **Annexure-IV**.

**CAUTIONARY STATEMENT**

Statements in this report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

**ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Last but not least, your Directors wish to place on record their warm appreciation to you for your continuous support and encouragement.

**For and on behalf of the Board of Directors**

**Place: New Delhi**  
**Date: August 14, 2021**

Sd/-  
**Chand Seth**  
**Chairman & Managing Director**  
**DIN: 00002944**

**ANNEXURE-1'****STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****(1) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:**

Median remuneration of all the employees of the Company for the Financial year 2020-21	Rs. 2,96,556/-
The number of permanent employees on the rolls of Company as on March 31, 2021	291

Name of the Director	Designation	Ratio of remuneration of Directors to Median remuneration of all Employees
Mr. Chand Seth	Chairman & Managing Director	13.08
Mr. Varun Seth	Whole Time Director	12.14
Mr. Ramesh Mehra	Whole Time Director	4.54
Mr. Ravi Kumar Mehra	Non Executive and Independent Director	N.A.
Ms. Meera Johri	Non Executive and Independent Director	N.A.
Mr. Ashish Bhuva	Non Executive and Independent Director	N.A.
Mr. Anant Kanoi	Additional Director (Non Executive and Independent )	N.A.

**Percentage increase in remuneration of each Director on the Board, CFO and CS during the Financial Year 2020-21**

Name of the Directors	Designation	% increase
Mr. Chand Seth	Chairman & Managing Director	NA
Mr. Varun Seth	Whole Time Director	NA
Mr. Ramesh Mehra	Whole Time Director	NA
Mr. Ravi Kumar Mehra	Independent & Non Executive Director	NA
Mr. Ashish Harish Bhuva	Independent & Non Executive Director	NA
Ms. Meera Johri	Independent & Non Executive Director	NA
Mr. Anant Kanoi	Additional Director (Non Executive and Independent )	NA
Mr. Dinesh Kumar Tak	Chief Financial Officer	NA
Mr. Sanjeev Rikhi	Chief Financial Officer	8%
Mr. Vineet Gupta	Company Secretary	8%

- i. During the year, there was no increase in the remuneration of any Director instead they have drawn the remuneration at lesser rate in comparison with FY 2020-21.
- ii. During the year, no Independent & Non Executive Director is paid any remuneration except sitting fee as mentioned in the Corporate Governance Section of the Annual Report.
- iii. During the year, there was no increase in the salary of Mr. Dinesh Kumar Tak.
- iv. Mr. Dinesh Tak has resigned from the Company w.e.f close of working hours of 31<sup>st</sup> July, 2020.

- v. As Mr. Sanjeev Rikhi is appointed as CFO w.e.f 01<sup>st</sup> August, 2020, the remuneration paid to him as CFO is not comparable with remuneration paid to him in the capacity of normal employee of the Company before his appointment as CFO. However, there was 8% increase in the remuneration of Mr. Sanjeev Rikhi during the year effective from January, 2021.
- vi. Median Remuneration is calculated after taking into consideration the Cost to the Company.
- vii. The Employees who have left during the year are not taken into consideration for calculating the median remuneration of all the employees.
- viii. The Employees who have joined the Company during the year at any point of time and continued to be employed till 31<sup>st</sup> March are taken into consideration for calculating the median remuneration of all the employees.
- ix. During the year, there was 8% increase in the remuneration of Mr. Vineet Gupta effective from January, 2021.

**Percentage increase in the Median Remuneration of Employees in the Financial Year 2020- 21:**

<b>2020-21</b>	<b>2019-20</b>	<b>Increase %</b>
296556	250099	18.57

- i. Percentage increase in median remuneration of all the employees might be on account of change in mode of calculation and due to other factors like increase in remuneration of the employees.
- ii. During the year, there was average 5%-6% increase made in the salaries of employees other than the managerial personnel as part of performance management system. % increase made in the remuneration of CFO & CS was based on their performance and duties and responsibilities shouldered by them as KMP of the Company.

**Affirmation that the remuneration is as per the remuneration policy of the Company.**

We affirm that remuneration paid by the Company is as per the Remuneration policy of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

India is currently the world's sixth largest economy and one of the fastest-growing large countries, with an annual gross domestic product (GDP) growth rate of mid to high single digit percentage, a momentum that is expected to sustain over the next five to ten years. In purchasing power parity terms, India ranks third behind the United States and China.

Domestic consumption, which powers 60% of the GDP today, is expected to grow into a \$6 trillion opportunity by 2030. This consumption growth will be supported by a 1.4 billion strong population that is younger than that of any other major economy. Household savings have historically been high as thrifty and cautious Indian families put away more than a fifth of their incomes for a rainy day. This buffer provides support to domestic consumption expenditure even through challenging cycles in economic activity.

The vision for the future of consumption in India is anchored in the growth of the upper-middle income and high-income segments, which will grow from being one in four households today, to one in two households by 2030. The country, one of the last big consumer markets still up for grabs.

Over the next decade, one of the biggest changes in India will be the coming of age of liberalization's true children – the nearly 700 million people born through the late 1980s to the 2000s. With a median age of 28 years, India is a nation of young working-age persons who drive both income and consumption. It will continue to remain young up to 2030 with a median age of 31 years. These individuals will have grown up in a more open and confident India and will not carry the cultural or economic baggage of their predecessors. This is a generation on the move that aspires to a materially better life, backed by the ability to spend and make it a reality.

One of the most challenging and exciting implications for companies in India is the opportunity to shape consumption patterns – in terms of categories consumed, brands purchased or ways of accessing products and information. India's unique combination of preferences, aspirations and prudence will require innovation specifically for this market. A massive increase in internet penetration will lead to more than a billion internet users in India by 2030.

Those who are more connected have a keener sense of what is "desirable" and are willing to invest in more comfortable living – including a greater spend on household durables and services.

While the long-term outlook on consumption led growth in India appears strong, the near-term may be challenging. India's GDP growth had been on the decline even before the pandemic struck earlier last year. From a growth rate of 8.3 per cent in 2016-17, the GDP expansion had dipped to 6.8 per cent and 6.5 per cent in the following two years and to 4 per cent in 2019-20.

The outbreak of the Covid-19 pandemic caused significant disruption during 2020-21. India imposed a stringent nationwide lockdown in the first quarter of the financial year with a phased opening up thereafter leading to a sharp decline in GDP. The economy snapped out of technical recession in the third quarter of the financial year 2020-21, after two consecutive quarters of de-growth. In the October-December quarter of fiscal 2020-21, the GDP growth expanded by 0.4 per cent. It is estimated that the GDP contracted by about 8% in 2020-21. With a recovery underway, the economy was projected to grow by 12%-13.5% in 2021-22 from the lower base.

India's revival in consumer spending is likely to be driven by households that earn more than a million rupees a year when the lockdown is lifted. Consumer sentiments survey data suggest that while all income groups are worse off than they were earlier, richer households are doing better than the rest on the sentiments front. These are the least affected households and most likely with the best savings.

India is going digital and the pandemic has accelerated this shift. Even before the COVID-19 pandemic, India's e-commerce sector had begun to gain immense traction as people swayed from physical shopping and gravitated towards online shopping. The pandemic accelerated this adoption of e-commerce and India, today, is one of the fastest-growing e-commerce markets in the world with an estimated 330 million online shoppers over the past year.

Consumers are flocking online for almost all their needs - from groceries and essentials to clothing and accessories. Moreover, goods that will come in useful during long periods at home are seeing increased sales. Brands have been compelled to develop an online presence even if they had none before. This has led to a massive spurt in Direct to Consumer (D2C) brands.

The economy is now enabling people to cater to niche segments of consumers economically and there is also a rise in digital entrepreneurs. Brands are also realizing the need to approach consumers directly rather than going to marketplaces to build private labels. Moreover, payment infrastructure and integration with multiple payment options and the demand for niche products has led to the surge in the number of D2C brands.

Pearl Polymers Limited conducted its operations in two business segments, namely its B2B Business Segment and its B2C Business segment during the FY 2020-21.

PearlPET is the houseware brand of Pearl Polymers, the leading manufacturer of rigid packaging and house ware products since its inception in 1971. We offer the widest range of jars and bottles for usage in the kitchen, home and offices.

We are the pioneers in the field of PET & PP packaging in India. Through our network of four plants and numerous offices through the length and breadth of the country, and a production capacity of over 100 machines currently, we have successfully changed the packaging industry in the country. Our stringent quality standards and innovative designs have allowed us to garner clients in varied fields such as Pharma, Food, Liquor, Chemicals, Cosmetics and many more.

However, the Company has sold its B2B Business segment engaged in manufacturing, marketing, and sale of rigid plastic packaging solutions for sale, gift or supply to other business entities for packaging of products to Manjushree Technopack Limited w.e.f 12th April, 2021 and remains with the B2C Business segment.

Now the Company is operating with its B2C Business segment only which is widely known as PearlPET.

PearlPET is proud to be seen as a mark of quality in the minds of all our consumers. We endeavor to give you a wide & unique variety of storage options to help keep your food safe and hygienic using state of the art technology and precision engineering.

We are proud to have brought a new thought process to the Indian kitchen by making the first safe, transparent, unbreakable, odorless plastic jars & bottles. We are now expanding our range to include trendy steel, glass, biodegradable and other products.

We believe that our products should be safe for everyone to use from sneaking a snack in the dark to drinking water on the go.

Our R&D Team have been provided with state-of-the-art CAD systems, along with in-house mould development systems, by which a team of skilled and dedicated staff develop new techniques to better serve our customers.

The success of our R&D Department has been realized through several packaging awards, like the World Star, Asia Star, India Star and Plast Icons Awards that have been awarded to Pearl Polymers Limited, both nationally and internationally.

Pearl has been the brand of choice for Kitchenware products used by end customers in the market.

Consumers' demand is increasing for more sustainable kitchenware products and will continue to shape the industry and the answer is responsible products that offer differentiated functionality while minimizing waste in the environment. PearlPET products have been and will continue to be sustainable by using fully recyclable material.

## **RECENT DEVELOPMENT**

The global kitchenware market size was valued at USD 56.8 billion in 2018 and is expected to expand at a CAGR of 4.5% over the forecast period (2019-25). Economic growth in emerging countries and rapid urbanization are the primary factors driving the market. Moreover, rising disposable income, changing lifestyles, and an increasing number of households are surging the demand for the product over the last few years and are expected to propel the market growth in the forecast period (2019-2025).

Furthermore, the growing trend of smart kitchens is influencing the market growth as it leads to a change in the purchase pattern of the consumer group. An increase in the residential side of the market is also fueling market growth. For instance, as per census 2011, in India, the household count has increased from 52.06 million to 78.48 million. In other countries, a growing population due to increasing immigrants from different countries has surged the number of household consumption, thus propelling the market demand for the product.

The Industry in India is moderately fragmented in nature, owing to the several players competing to improve their market share. With the rising demand for Kitchenware products and household items, along with technological advancement across the Indian economy, many companies are increasing their market presence by expanding their business footprint across various end-user markets.

Consumers want their kitchenware products to be hygienic, safe and at the same time to look attractive. This development has led to healthy competition between the local manufacturers to deliver innovative products, and as a result, the entire ecosystem is gearing up for the change.

The industry is driven by key factors like rising population, increase in income levels and changing lifestyles. Demand from rural sector for products is being fueled by increasing media penetration through the means of internet and television.

With advancement in technology and general awareness, the plastic sector in India is well poised as most of the raw materials for making these products are abundantly available in the country. Moreover, the per capita spending has increased tremendously, leading to changing rural markets and a growing middle class who demand the best of products. Various upgraded technologies are being used in industry.

#### **OPPORTUNITIES AND THREATS**

India is forecasted to become the 5th largest consumer market in the world by 2025. Currently, the country is experiencing a 12 % year on year growth in consumer expenditure as against a global increase of 5%. 100 plus million middle-class Indian households will show high growth in their consumption pattern owing to increase in their incomes and moving them upwards into affluent and elite segments.

The retail industry in India has emerged as one of the most dynamic and fast-paced. With the constant entry of several new players across a variety of product categories and retail formats, India's retail market is expected to increase significantly. Organized retail in India has been growing exponentially every year.

Houseware is a growing category in the Indian domestic retail market with an annual growth of 25-30%. From the traditional to the modern society, across the globe, houseware has always existed as a major product category in the marketplace. India has also witnessed a major shift in buyer or consumer base for houseware products and it is no more restricted to women.

Production of standard quality tableware, kitchenware, and general houseware, and products in India is still very limited and hence, the market is also fed through imports. There are hundreds of importers and distributors, who either import and sell under their own brands or represent international brands in India.

With evolving lifestyle of Indians, India has witnessed a major shift in the houseware industry. Due to the high degree of urbanization, the proliferation of nuclear families and technological advancement, there have been far-reaching changes in the nature of houseware products. In India, globalization has also brought about significant changes in cooking, serving and dining habits.

The complexity of the products also makes it necessary that husband-wife both engage in the purchase of these products - be it kitchenware, cookware, tableware, kitchen appliances, storage, cleaning or maintenance products, outdoor houseware, or travel goods, one can see the drastic change in the market scenario. Most of the modern day houseware products are now made by combining materials like steel, plastics, ceramics, glass and so on. Hence the market classification is now less material-driven and more utility or functionality-driven.

Aspirational demand across segments will also drive the consumption and consumer spending upwards. Increasing number of nuclear families and their keenness to invest in their own homes is leading to a consistent growth in housing sector, which is

bound to push demand for houseware products. It will also push upwards the market for consumer durables. With rising affluence, consumers are bound to move beyond functionality in their purchases and will increasingly spend on lifestyle factors like design, trends, fashion and aesthetics. All these factors create a potential market for entrepreneurs to tap into and explore huge opportunities in India in manufacturing, retail, distribution and imports. Retail will obviously be the biggest of them all.

Traditionally, houseware products were more utility-driven with a high focus on functionality, labour saving and simplifying domestic chores. Today, such products are already well accepted by consumers across all market segments. But the Indian houseware industry missed the retail boom enjoyed by categories like apparel and food in India over the last 28 years, as the majority of its products lacked good design and glamour of branding. Retailers always identify retail space allocation with big brands and well-designed products. As the houseware sector emerges in its contemporary avatar with focus on good design, high technology, branding and glamorous presentation, retailers are discovering a great opportunity in this segment as both unit prices and margins go up. With the increased allocation of retail space as well as the entry of e.com players, houseware business is poised for substantial growth.

The advancements in terms of product innovations and technologies in the market are also expected to create strong investment opportunities for global players. Regulatory and structural guidelines are expected to be the strongest restraints for the industry. High input costs and environmental concerns are the major challenges, whereas fluctuating demand patterns and advancements of alternative technologies are expected to be the burning issues.

However, despite having a good growth potential, the industry faces many threats and challenges. Some of the challenges are:

### **Organizational Challenges**

That said, in an ordinary market situation, the challenges differ. While the fragmented nature of the industry adds up to a large segment of the problems, that's just one part of the puzzle. One commonality that can be mapped across businesses and industries though is the chaos that these challenges lead to. Chaos in terms of failed packaging design, packaging stock-out, erroneous artwork, product recalls - it's a long list. At a broader level, resulting in a loss of business and revenue. And that's where the bigger problem lies.

Organizations are intrinsically wired to think about aspects like the product, its quality, its usability, and its benefits. This often takes away the spotlight from packaging. In some cases, we've seen businesses lacking awareness on how their packaging is impacting their business topline and bottom line. And in most cases, this can be tied back to their inadequate understanding of the packaging supply chain.

### **Environmental Consciousness**

With environmental awareness rising globally, there is a strong momentum towards sustainable solutions. Stakeholders across the value chain are voicing their concerns regarding the use of plastic products and organizations are realigning themselves in this direction.

However, there are teething challenges the market is facing in providing these sustainable solutions. The investment required for the research of these solutions is high. This has limited the number of available eco-friendly options. Also, these solutions come at an added cost which neither the industry nor the consumer is prepared to absorb. This is making manufacturers wary of investing in the production that might not fetch the markup price. Importing again is cost-intensive.

### **Stringent regulations**

Stringent regulations imposed for plastic products may act as a restraint but to a lower extent. Compliance with regulations is necessary as the smallest defect in product may lead to rejection of the product. It will also negatively impact the manufacturer's profit.

Regulatory authorities ensure that the raw material used is biodegradable. The industry needs to make products sustainable while also ensuring low costs. The use of biodegradable raw materials costs higher than their non-biodegradable counterparts. It adds to the production costs, further increasing the cost pressure and limiting the growth of the plastic products market.

Apart from these, some of the players present in the industry follow unethical practices to increase the revenue by selling poor quality products which may look similar but are hazardous to the environment.

Most of these challenges can be solved with technology, to form a tightly knit and integrated system. However, with technology, an all-embracing approach would be necessary. Every stage of the procurement process will need automation. Business leaders can empower their teams with visibility of their supply chain in real-time. This would help them absorb demand fluctuations faster.

India, remains one of the most complex countries to manage and build businesses in. The market requires an in-depth consumer understanding and is not only price and value sensitive but also unorganized. Nonetheless, Indian houseware market's potential and growth aspect are appealing to major international players.

Entrepreneurs have to understand that while the market is sizeable they will have to keep a few factors in mind to conduct business successfully. One needs to understand the substantial size of the market for the particular product category in different retail channels and the strength and weaknesses of each major player present in the market. As consumers get more used to branded and better products and buying through organized retail channels, opportunities for entrepreneurs in houseware segment will become larger and larger in the years ahead.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The year presented unique challenges and tested our outlook towards employees and stakeholders. We are grateful to the Pearl family – the employees and everyone in the extended value chain at, who made this happen. Pearl believes that the employees are at the core of its strategies to achieve all present and future organizational goals. The wellbeing emerged as a key priority for our people and their families due to the novel corona virus. Through the year, we built a systemic approach on wellbeing with customized interventions for various employee segments and continue to encourage work from home wherever possible and reinforce safety standards in office and factory locations. The HR department was continuously in touch with employees to create awareness, educate, guide and solve problems regarding COVID-19.

Industrial Relations with staff and workmen at Head Office and across all the plants, continued to be cordial. Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on team work, skill development and development of leadership and functional capabilities of the employees. There are number of employees who have left the Company or are retrenched by the Company during the year.

As on 31<sup>st</sup> March, 2021, there were 291 employees including the Executive Directors recorded on the roll of Company.

**OPERATIONS AND FINANCIAL REVIEW**

The operations and financial review is covered in the Board’s Report and is to be read as a part of this report itself.

**KEY FINANCIAL RATIOS**

Ratios	FY 2020-21	FY 2019-20
Debtors Turnover (in times)	3.92	3.77
Inventory Turnover (in times)	3.71	4.09
Interest Coverage Ratio (in times)	-1.58	-1.98
Current Ratio (in times)	0.78	0.91
Debt Equity Ratio (in times)	1.18	0.76
Operating Profit Margin (%)	40.81	38.19
Net Profit Margin (%)	-9.17	-7.85
Return on Net Worth (%)	-40.60	-28.49

Notes:

- i. The more than 25% change in Debt Equity Ratio as compared to last Financial Year is because of operational losses during the FY 2020-21, the reserves have gone down.
- ii. The more than 25% change in Return on Net worth as compared to last Financial Year is because of competitive prices and fall in gross margin.

**SEGMENT-WISE PERFORMANCE**

During the Year under review, your Company was operating only in one segment.

**RISK MANAGEMENT**

The Company is also exposed to several potential risks both from internal and external sources. By addressing the risk in its nascent stages allows for long-term corporate success. Risks such as industry segment risks, technological changes, political risks, product distribution and supply can be anticipated and curbed.

Your Company believes that the products should not be hazardous to the environment. Our products are made of virgin plastics which are universally approved by USFDA, EU Directive 2002/72/ EC, BIS IS: 12252 -1987 and other regulating bodies for Food, Beverage and Water storage.

Some of the features that give an advantage to the Company over other local players in the market which may help the Company in reducing the loss of sales are:-

- Non-toxic, Food-grade and Re-usable.
- Unbreakable, Strong and Light-weight.
- Manufacturing process integrates the finest quality certified raw materials, with state-of-the-art equipment and stringent quality control procedures, at every station on the line.
- PearlPET products & raw material do not use Bisphenol A (BPA) or other harmful plasticizers/chemicals.
- All of our products have good barrier properties that protect and preserve the food content.
- Good strength, premium quality, Air tight.
- 100% recyclable and environment friendly.

**DISCLOSURE OF ACCOUNTING TREATMENT**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) (Amendment) Rules, 2016 and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

**BUSINESS OUTLOOK**

In the Consumer Products business, the near term growth remains uncertain. With the second wave of the Covid-19 virus sweeping across the country, interim periods of on-off lockdowns could occur at least until a significant proportion of the population in India has been vaccinated. The medium and long-term prospects of the business remain intact given the low penetration of these products in the country which provide a long runway for growth. The Consumer Products business is expected to grow by 15% to 20% in the medium term in a normal business environment with potentially higher growth rates in the near term. Verified Market Research points out that the non-biodegradable properties of plastic products have been reported to have a serious impact on the environment, which has slowed growth. Fluctuating raw material prices are also hindering growth. However, the plastics commodity market is expected to rise from \$468.3 billion in 2020 to \$596.1 billion by 2025 at a CAGR of 6.0% as plastics continue replace metals in the marketplace.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Pearl has in place an adequate system of internal control procedures for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations, among others. They commensurate with the size of the company and the nature of the business and is in line with requirements of the regulations.

During the year under review, no material weakness in the policy or procedures was observed. Your Company has put in place an independent internal audit system conducted by a professional to ensure adequacy of internal financial control system, adherence to Company policies and compliance.

**A. CONSERVATION OF ENERGY****I. The steps taken or impact on conservation of energy;**

The activism in energy conservation & its management comes from the increased demand of energy and its cost in the current scenario. The interest in energy efficiency is increasing at local consumption level, corporate level and the national level. It is important to address the environmental concerns resulting from the use of energy and also there are concerns about energy security. This issue has gained prominence in achieving sustainable development of the industry.

Energy conservation means the change in the pattern of energy consumption and pursued efforts in reducing the increasing growth in energy consumption.

Pearl always focus on reducing energy consumption as it opens up opportunities for innovation and improved efficiency, while reducing risks arising from price volatility and helping us manage natural resources. Effective measures have been taken to monitor consumption of energy during the process of manufacture. Continuous monitoring and awareness amongst employees have helped to avoid wastage of energy.

The Company has continued taking following steps for conservation of energy during FY 2020-21:

- i. Measures are been taken to minimize harmonics generation in plant power circuit.
- ii. Continuously your Company undertakes necessary activities to educate and encourage employees to establish energy efficient practices.
- iii. Apart from above all possible efforts are being made to reduce power consumption on different machines.

**II. The steps taken by the Company for utilizing alternate sources of energy;**

During the year Company has not taken any step for utilizing alternate source of Energy.

**III. The capital investment on energy conservation equipment's;**

During the year, there has been no capital investment by the Company on energy conservation equipment.

**B. TECHNOLOGY ABSORPTION****I. The efforts made towards technology absorption;**

We have continued to develop through our creative edge, in a highly competitive industry through Cutting-edge technology for research and development of products in accordance with global Trends. We employ design thinking to connect with our consumers' evolving their requirement.

Your Company lays considerable emphasis on quality maintenance and product enhancement. The Company tried to develop more and more products in its R&D Center to attract more and more customers.

We have already installed state of the art Finished Goods conveyor system for better efficiency, reducing manual labor and carton damages.

All plants of the Company are state-of-the-art facilities with global approvals of ISO 22001, ISO 9001 and SEDEX. With rigorous hourly checks, the Company ensure that the Customer get the best product possible.

**II. The benefits derived like product improvement, cost reduction, product development or import substitution;**

- i. We successfully managed to reduce the manpower cost by adopting above step.
- ii. Through its rigorous R&D, your Company managed to manufacture 100% recyclable and environment friendly products which are Non-toxic, Food-grade and Re-usable.
- iii. Also developed new designs to attract more consumers.

**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year);**

The Company has not imported any technology during the last three years.

**IV. The expenditure incurred on Research and Development;**

To reduce our rejection levels and enhance customer satisfaction level, we have improved the quality of our products by making the significant development in moulds and other R&D.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has recorded export earnings of Rs. 120.64 Lakhs, and import payments of Rs. 1718.94 Lakhs details of which have been incorporated in the Notes to financial statements.

**ANNEXURE-‘III’**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2021**

***[Pursuant to Section 204(1) of the Companies Act, 2013 and the rules made thereunder for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]***

To,  
The Members,  
**Pearl Polymers Limited,**  
A-97/2, Okhla Industrial Area,  
Phase-II, New Delhi-110020

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “Pearl Polymers Limited” (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Management’s Responsibility for Secretarial Compliances**

The Company’s Management is responsible for preparation and maintenance of Secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

**Auditor’s Responsibility**

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the Company with respect to Secretarial Compliances.

**Opinion**

Based on my verification of the Company's books, papers, minute books, forms and returns filed and soft copies of other records maintained by the Company and also the information electronically provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to Management Representation Letter and Compliance Certificates confirming compliance with all laws applicable to the Company. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has in proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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; *(not applicable since there is no action/event in pursuance of said regulation)*
- (v) 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 (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(not applicable since there is no action/event in pursuance of said regulation)*
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(not applicable since there is no action/event in pursuance of said regulation)*
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(not applicable since there is no action/event in pursuance of said regulation)*
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(not applicable)*
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable since there is no action/event in pursuance of said regulation)* and
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(not applicable since there is no action/event in pursuance of said regulation)*

Other laws specifically applicable to the Company and/or followed by the Company:

- (i) The Legal Metrology Act, 2009
- (ii) Trade Mark Act, 1999
- (iii) Design Act, 2000

I have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

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

I further report that

1. 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, if any, of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance to applicable provisions of the Companies Act, 2013 and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board, respectively hence I have no reason to believe that the decisions by the Board were not approved by all the directors present.
4. The Company has proper Board processes except as aforesaid.

I further report that based on information provided and also on the review of compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the financial year under review, there are no specific events having any major bearing on the Company's affairs in pursuance of the law, regulations, guidelines, standards, etc. referred to above.

Place: New Delhi  
Date: 14-08-2021  
UDIN: A025681C000892470

Rashmi Sahni  
Practicing Company Secretary  
Membership No: 25681  
Certificate Practice No. 10493

**Annexure A**

To,  
The Members  
**Pearl Polymers Limited,**  
A-97/2, Okhla Industrial Area,  
Phase-II, New Delhi-110020

My report of even date is to be read along with this letter:

Management's Responsibility:

- a. The compliance of provisions of all laws, rules, regulations, standards applicable to Pearl Polymers Limited (hereinafter called 'the Company') is the responsibility of the management of the Company. My examination was limited to the verifications of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
- b. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

Auditor's Responsibility:

- c. I 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 verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

- d. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- e. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- f. The Compliance of the provisions of corporate and other applicable laws, and regulations, standards is the applicability of management. My examination was limited to the verification of procedures on test basis.

Disclaimer:

- g. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 14-08-2021  
UDIN: A025681C000892470

Rashmi Sahni  
Practicing Company Secretary  
Membership No: 25681  
Certificate Practice No. 10493

**ANNEXURE-IV'**

#### **CORPORATE GOVERNANCE REPORT**

To comply with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”] as amended from time to time, the report containing the details of Corporate Governance of Pearl Polymers Limited (“the Company”) is as follows:

#### **COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

Company has over the years followed best practices of Corporate Governance. The Company believes that good Corporate Governance goes beyond compliance and disclosures. The driving forces of Corporate Governance at Pearl are transparency, fairness, integrity, equity and accountability. Doing the ‘right things’ in the ‘right manner’ reflects the spirit of Corporate Governance at Pearl. It is a reflection of us - our value system, work culture & thought process.

The Company’s business objective and that of its management and employees is to manufacture and market the Company’s products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy. The Company relentlessly strives to align its vision and business strategy with the welfare and best interest of all stakeholders. The Company is conscious of the fact that the success of a Corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavors’ to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

#### **THE BOARD OF DIRECTORS**

The primary role of the Board is to protect and enhance long-term shareholders’ value. It sets the overall strategy for the Company and supervises executive management. It also ensures that good corporate governance policies and practices are implemented in the Company. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

**Composition**

The Board of your Company consists of 6 (Six) Directors as on March 31, 2021, out of which 3 (three) are Executive Directors and other 3 (three) are Non-Executive Independent Directors (including one Woman Director). The Board has an Executive Chairperson.

According to Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 as well as relevant provisions under the Companies Act, 2013, where the Chairperson is an Executive Director or a Promoter of the Company, at least one half of the Board of the Company should consist of Independent Directors and this provision is met at your Company .

As per Regulation 26 of SEBI (LODR) Regulations, 2015, none of the Directors on the Company's Board is a member of more than ten committees or Chairperson of more than five committees across all listed entities in which he/ she is a Director. All the directors have made necessary disclosure regarding Committees positions held by them in other listed entities.

The composition of the Board as on March 31, 2021 along with their Chairmanship and Membership on the Board Committees is tabled below:

Name/ Category of the Director	Number of Directorship <sup>1</sup>	Number of Committee positions held <sup>2</sup>	
		Membership	Chairmanship
<b>Executive Director</b>			
Mr. Chand Seth (Chairman & Managing Director)	2	1	-
Mr. Varun Seth (Whole Time Director)	1	1	-
Mr. Ramesh Mehra (Whole Time Director)	4	2	-
<b>Non-Executive Independent Director</b>			
Ms. Meera Johri (Independent Director)	1	1	1
Mr. Ravi Kumar Mehra <sup>3</sup> (Independent Director)	1	1	1
Mr. Ashish Harish Bhuva (Independent Director)	3	1	-
Mr. Anant Kanoi <sup>4</sup> (Additional Director- Non-Executive and Independent)	2	2	-

1. Directorship in private companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 are excluded in the above table.
2. For the purpose of reckoning the limit, membership/ chairpersonship of Audit Committee and Stakeholders' Relationship Committee have been considered.
3. Mr. Ravi Kumar Mehra has resigned w.e.f 01<sup>st</sup> January, 2021.
4. Mr. Anant Kanoi has joined the Company as Additional Director (Non- Executive and Independent) w.e.f 31<sup>st</sup> March, 2021.
5. Mr. Chand Seth and Mr. Varun Seth are related to each other.
6. None of the Directors on the Board is a member of more than ten Committees or Chairperson of more than five Committees across all the Companies in which he/she is a Director.
7. None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed entities.
8. The Companies which have been converted into Private Limited during the Financial Year are excluded in reckoning the number of directorships on the Board and chairmanship/membership of the Committees.

**DIRECTORSHIPS IN OTHER LISTED ENTITIES**

Name of other listed entities where directors of the Company held directorships as on 31 March 2021

Name of the Director	Name of the Listed Entity	Category
Ramesh Mehra	Pearl Apartments Limited	Non-Executive Independent Director

Except Mr. Ramesh Mehra, none of the Directors is having Directorships in any other listed entity.

**CORE SKILL/EXPERTISE/COMPETENCIES**

As stipulated under Schedule V of the SEBI Listing Regulations, core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

Chart/Matrix of such core skills/expertise/competencies of the Directors on the Board during the FY 2020-21 is given below:

Skills/Expertise/ Competencies	Mr. Chand Seth	Mr. Varun Seth	Mr. Ramesh Mehra	Mr. Ravi Kumar Mehra	Ms. Meera Johri	Mr. Ashish Harish Bhuva	Mr. Anant Kanoi
Management & Strategy	✓	✓	-	✓	✓	✓	✓
Operations & Engineering	✓	✓	✓	✓	-	✓	✓
Commercial Purchase and Supply Chain	✓	✓	✓	-	-	✓	✓
Sales & Marketing	✓	✓	✓	✓	✓	✓	-
Research & Development	✓	-	-	-	-	✓	✓
Regulatory Framework Knowledge	✓	-	-	✓	-	✓	-
Knowledge of PET Industry	✓	✓	✓	✓	-	✓	-
Identifying the growth areas for expanding the business	✓	✓	✓	✓	✓	✓	✓
Corporate Governance & Ethics	✓	✓	✓	✓	✓	✓	✓
Finance and Taxation	✓	-	-	✓	✓	✓	-
Risk Management	✓	-	-	✓	✓	✓	✓
Law	✓	-	✓	-	-	-	-
Human Resources & Industrial Relations	✓	✓	✓	-	-	✓	-
Information Technology, systems and computers	✓	✓	-	-	-	✓	-

**BOARD MEETINGS**

During the FY 2020-21, the Board met five times viz. on July 31, 2020; August 31, 2020; September 21, 2020; November 11, 2020; and February 12, 2021.

The gap between any two consecutive meetings of the Board of Directors of the Company was not more than 120 days. The leave of absence (“LOA”) was granted to the Directors as and when requested by them. The Board was made available with necessary information as required to be placed before the Board as per SEBI (LODR) Regulations, 2015 for their discussion and consideration.

Directors’ attendance at Board meetings and the Annual General Meeting of the Company held during the year is listed as follows:

Name of the Director	Attendance at the Board Meetings held on					Attendance at the last AGM held on
	31.07.2020	31.08.2020	21.09.2020	11.11.2020	12.02.2021	30.12.2020
Mr. Chand Seth	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Varun Seth	Yes	Yes	LOA	Yes	LOA	Yes
Mr. Ramesh Mehra	Yes	Yes	Yes	LOA	LOA	No
Mr. Ashish Harish Bhuva	Yes	Yes	Yes	Yes	Yes	No
Ms. Meera Johri	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Yes	Yes	Yes	Yes	NA	Yes
Mr. Anant Kanoi	NA	NA	NA	NA	NA	NA

#### INDEPENDENT DIRECTORS (ID)

##### Separate Meetings

In line with the mandate given in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, separate meeting of Independent Directors was held during the year, without the presence of Non Independent Directors and the Management of the Company. During the meeting, the Directors discussed, among other matters, the performance of Non Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information.

##### Tenure of Independent Directors

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the Management and the Company has received declaration in this regard from the Independent Directors.

##### Resignation of Independent Director

During the year, Mr. Ravi Kumar Mehra has resigned from the office of Independent Director w.e.f 01<sup>st</sup> January, 2021 due to his health reasons. He has also confirmed that there is no other material reason for his resignation as Independent Director from the Company other than those provided.

#### BOARD FAMILIARIZATION PROGRAMME

As required under Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the Company has a familiarization programme for the independent directors. The details of the familiarization programme are available on the Company's website at the link [www.pearlpet.net](http://www.pearlpet.net).

#### CODE OF CONDUCT

The Company's Code of Conduct provides guidelines to be followed by all members of the Board of Directors and Senior Management Personnel. The Company has received confirmations from all members of the Board of Directors as well as Senior Management Personnel regarding compliance of the Code during the year. A declaration signed by Chairman and Managing Director to this effect is annexed to this report.

**BOARD COMMITTEES**

The Board delegates its powers and authorities from time to time to committees in order to ensure that operational efficiency and specific issues are being handled with relevant expertise. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The following four Board Committees have been established and each of them has its specific duties and authorities set out in its own terms of reference.

A) Mandatory Committees	B) Non Mandatory Committees
i) Audit Committee ii) Stakeholders' Relationship Committee iii) Nomination and Remuneration Committee	i) Finance Committee

**A) MANDATORY COMMITTEE**

**(i) Audit Committee**

The objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures. The terms of reference of the Audit Committee are well defined and are in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. The detailed terms of reference of audit committee are placed on the Company's website at [www.pearlpet.net](http://www.pearlpet.net).

**Composition**

The composition of the Audit Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as a Secretary to the Committee. The members of Audit Committee comprises of majority of Independent Directors. All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

The composition of the Audit Committee during the Financial Year and the attendance of the members in the meetings held during the Financial Year 2020-21 are as follows:

Name of the Member	Designation	Attendance at the Meetings held on				
		31.07.2020	31.08.2020	21.09.2020	11.11.2020	12.02.2021
Mr. Ravi Kumar Mehra <sup>1</sup>	Chairperson	Yes	Yes	Yes	Yes	NA
Ms. Meera Johri	Member	Yes	Yes	Yes	Yes	Yes
Mr. Varun Seth	Member	Yes	Yes	Yes	Yes	LOA
Mr. Ashish Harish Bhuvra	Member	Yes	Yes	Yes	Yes	Yes
Mr. Anant Kanoi <sup>2</sup>	Member	NA	NA	NA	NA	NA

1. Mr. Ravi Kumar Mehra ceased to be the Chairman w.e.f 01<sup>st</sup> January, 2021.

2. Mr. Anant Kanoi appointed as member w.e.f 31<sup>st</sup> March, 2021.

**(ii) Stakeholders' Relationship Committee**

Pursuant to the Companies Act, 2013 and the SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee. This Committee was constituted to specifically look into the process of share transfers, grievances of security holders, if any, and also reviews the working of Company's Registrar & Share Transfer Agent.

The terms of reference of the Stakeholders' Relationship Committee are well defined and are in accordance with the SEBI Listing Regulations as amended from time to time. The detailed terms of reference of Stakeholders' Relationship Committee are placed on the Company's website at [www.pearlpet.net](http://www.pearlpet.net).

**Composition**

The composition of the Stakeholders' Relationship Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The composition of the Stakeholders' Relationship Committee during the Financial Year and the attendance of the members in the meetings held during the Financial Year 2020-21 are as follows:

Name of the Director	Designation	Attendance at the Meetings held on			
		31.07.2020	31.08.2020	11.11.2020	12.02.2021
Ms. Meera Johri	Chairperson	Yes	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Member	Yes	Yes	Yes	NA
Mr. Chand Seth	Member	Yes	Yes	Yes	Yes
Mr. Ramesh Mehra	Member	Yes	Yes	LoA	LOA
Mr. Anant Kanoi	Member	NA	NA	NA	NA

1. Mr. Ravi Kumar Mehra ceased to be the member w.e.f 01<sup>st</sup> January, 2021.
2. Mr. Anant Kanoi appointed as member w.e.f 31<sup>st</sup> March, 2021.

**Status of Investors' complaints:**

The status of Investors' complaints as on March 31, 2021 is as follows:

Number of complaints as on April 01, 2020	NIL
Number of complaints received during the year ended on March 31, 2021	NIL
Number of complaints resolved/disposed of up to March 31, 2021	NIL
Number of complaints pending as on March 31, 2021	NIL

During the year, no complaint was received. Mr. Vineet Gupta, Company Secretary of the Company designated as the "Compliance Officer" of the Company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015.

**Nomination and Remuneration Committee**

The Terms of Reference of the Nomination and Remuneration Committee are well defined and are in line with the provisions of the SEBI Listing Regulations and the Companies Act, 2013, as amended from time to time. The detailed terms of reference of committee are placed on the Company's website at [www.pearlpnet.net](http://www.pearlpnet.net).

**Composition**

The composition of the Nomination and Remuneration Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The composition of the Nomination and Remuneration Committee during the Financial Year and the attendance of the members in the meetings held during the Financial Year 2020-21 are as follows:

Sl No.	Name of the Director	Designation	Attendance at the Meeting held on	
			31.07.2020	31.08.2020
1	Mr. Ravi Kumar Mehra <sup>1</sup>	Chairperson	Yes	Yes
2	Ms. Meera Johri	Member	Yes	Yes
3	Mr. Ashish Harish Bhuv	Member	Yes	Yes

1. Mr. Ravi Kumar Mehra ceased to be the Chairperson w.e.f 01<sup>st</sup> January, 2021.

### Performance Evaluation Criteria for Independent Directors

An indicative list of factors that may be evaluated include adherence to ethical standards and code of conduct, constructive participation in board and committees' meetings, implementing good corporate governance practices and review of integrity of financial information etc.

### REMUNERATION OF DIRECTORS

#### PECUNIARY RELATIONSHIP/TRANSACTION WITH NON-EXECUTIVE DIRECTORS

During the year under review, there was no pecuniary relationship/transaction with any non-executive directors of the Company except payment of sitting fees.

#### CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment.

The Remuneration Policy, inter alia, disclosing the criteria of making payments to directors and key managerial personnel is placed on the Company's website at [www.pearlpet.net](http://www.pearlpet.net).

The Non-Executive Directors of the Company were not paid any remuneration during the FY 2020-21.

#### NON-EXECUTIVE DIRECTORS

Non-executive directors (Independent Directors) were paid sitting fees during the FY 2020-21 as earlier stated in this Report.

#### EXECUTIVE DIRECTORS

During the year under review, the Company paid remuneration to Mr. Chand Seth, Chairman and Managing Director, Mr. Varun Seth, and Mr. Ramesh Mehra, Whole Time Directors of the Company. Each of the above Directors was entitled to Director's remuneration which was determined by the Board with authorization granted by the shareholders at the Company's AGM. The remuneration of Executive Directors and Senior Management of the Company was determined with reference to the Company's performance and policy and in accordance with the provisions of the Companies Act, 2013, as well as remuneration benchmarks in the industry and the prevailing market conditions.

Remuneration paid to Executive Directors for the financial year 2020-21 is as follows:

(Rs. in Lakhs)

Sl No.	Name of the Director	Salary Allowances	and Perquisite	Incentive/ Stock option etc.	Total
1	Mr. Chand Seth	23.70	12.00	-	35.70
2	Mr. Varun Seth	26.40	2.34	-	28.74
3	Mr. Ramesh Mehra	10.13	0.32	-	10.45

Apart from above, the total contribution to Provident Fund of Mr. Chand Seth and Mr. Varun Seth was Rs.2,84,400/- and Rs.3,16,800/- respectively. There was no contribution to PF of Mr. Ramesh Mehra. The contribution to Superannuation Fund of Mr. Varun Seth was Rs.3,96,000/-. Apart from these, Mr. Chand Seth and Mr. Varun Seth were provided Car with driver for the office use and value of car with driver as perquisite provided to Mr. Ramesh is included in the value of perquisite. The Remuneration drawn by the Directors was less than the remuneration approved.

Sitting fee paid to Non-Executive & Independent Directors for the financial year 2020-21 is as follows:

(Rs. in Lakhs)

Sl No.	Name of the Director	Sitting Fee	Total	No of Shares/ convertible instrument held
1	Mr. Ashish Harish Bhuva	0.20	0.20	0
2	Ms. Meera Johri	0.20	0.20	0
3	Mr. Ravi Kumar Mehra	0.20	0.20	0
4	Mr. Anant Kanoi	NA	NA	NA

The sitting fee paid to Non-executive and Independent Directors was within the limits as prescribed under the Companies Act, 2013. No remuneration other than the sitting fee for attending Board meetings was paid to the Non-Executive and Independent Directors.

#### B) NON MANDATORY COMMITTEES

In addition to the above referred Committees, the Board of Directors has constituted the Finance Committee of Directors.

##### Finance Committee

The Finance Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to conduct the affairs of the Company smoothly.

The terms of reference are in accordance with the applicable provisions and are placed on the Company's website at [www.pearlpet.net](http://www.pearlpet.net).

The committee comprised of three members namely Mr. Chand Seth as Chairperson and Mr. Varun Seth, Mr. Ramesh Mehra as Members.

During the financial year 2020-21, the Committee met fortnightly to approve share transfers/ transmission and consider such other matters as may be delegated to the committee by the Board from time to time.

#### PAYMENT TO AUDITORS

During the year, the total fee for all the services paid by the Company to the Auditors was Rs. 41.52Lakhs, the breakup of which is given in the notes to Financial Statements.

#### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management's Discussion and Analysis forms part of this Annual Report.

#### GENERAL BODY MEETINGS

##### Annual General Meeting

The details of last three AGM held and Special Resolution passed therein are as mentioned below:

AGM No.	Financial Year	Address	Date and Time	Special Resolution Passed
47 <sup>th</sup>	2017-18	A-97/2, Okhla Industrial Area,	28.09.2018 11.00 A.M.	NIL
48 <sup>th</sup>	2018-19		27.09.2019 11.00 A.M.	i. Re-appointment of Mr. Ravi Kumar Mehra as Independent Director for further period of five (5)

		Phase-II, New Delhi-110020		<ul style="list-style-type: none"> <li>consecutive years.</li> <li>ii. Re-appointment of Ms. Meera Johri as Independent Director for further period of five (5) consecutive years.</li> <li>iii. Re-appointment of Mr. Ashish Harish Bhuva as Independent Director for further period of five (5) consecutive years.</li> <li>iv. Alteration of Articles of Association thereby adopting new set of AOA of the Company in accordance with the provisions of the Companies Act, 2013</li> </ul>
49 <sup>th</sup>	2019-20	Through video conferencing ("VC")/Other Audio Visual Means (OAVM)	30.12.2020 11.00 A.M.	<ul style="list-style-type: none"> <li>i. Re-appointment of Mr. Chand Seth as Chairman &amp; Managing Director of the Company</li> <li>ii. Re-appointment of Mr. Ramesh Mehra as Whole Time Director of the Company</li> <li>iii. Alteration of Memorandum of Association of the Company thereby adopting new set of Memorandum of Association in accordance with the provisions of the companies act, 2013 and altering the object clause of Memorandum of Association by inserting and adding the new objects in the main objects of the Company and in the matters which are necessary for furtherance of the main objects</li> </ul>

**Extra-Ordinary General Meeting**

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year 2020-21.

**E-VOTING FACILITY**

The Company extends the facility for Remote E-voting to the shareholders to exercise their voting rights electronically on all resolutions passed or proposed to be passed in the AGMs.

**DETAILS OF POSTAL BALLOT**

**I. Special Resolutions passed through postal ballot**

During the year, the Company approached the shareholders through postal ballot for seeking approval by way of Special Resolution for Sale of Company's Business engaged in manufacturing, marketing, and sale of rigid plastic packaging solutions in PET and PP grade of polymers and other forms of resins for supply to other business entities for packaging their product ("B2B Business") through Postal Ballot Notice dated September 21, 2020 by way of remote e-voting. The result of which was declared on 25th October, 2020.

For conducting this Postal Ballot, Ms. Rashmi Sahni, Practicing Company Secretary (Certificate of Practice No: 10493) was appointed as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

**II. Voting Pattern**

Total Valid Votes*	Votes in Favor		Votes Against	
No. of Votes	No. of Votes	%	No. of Votes	%
12160291	11149088	91.68	1011203	8.32
12160291	11149088	91.68	1011203	8.32

\* 3 non-individual voters holding 2139 equity shares and who did not submit Board Resolution and/or Power of Attorney (POA) were treated as invalid.

**III. Procedure for Postal Ballot**

In compliance with the provisions of (i) section 108, 110 and other applicable provisions of the Companies Act, 2013 read with rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended; (ii) above mentioned circulars of MCA; (iii) Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Company provided its members, the facility to exercise their right to vote by electronic means through remote e-voting on resolution set forth in the Postal Ballot Notice and in this respect, the Company had engaged the services of Central Depository Services (India) Limited (CDSL) to provide the electronic voting (remote e-voting) facility to the members of the Company.

In view of challenges being faced by the Companies in dispatch of Physical Postal Ballot Notice or Postal Ballot Form to the Members due to COVID-19 related lockdown and social distancing requirements and pursuant to the provisions of the MCA Circulars, the assent / dissent of the members in the Postal Ballot have taken place through e-voting and the physical Postal Ballot Notice (along with postal ballot forms) and pre-paid business envelope through post were not sent to the Members for this Postal Ballot.

All the members whose name was appeared in the Register of Members / List of Beneficial Owners as on the Cut-off date i.e. September 18, 2020 were entitled to vote on the resolution set forth in the Postal Ballot Notice and voting rights were reckoned on the paid-up value of the shares registered in the name of the Members / Beneficial Owners as on the Cut-off date.

The Notice was displayed on the website of the Company as well as on the Stock Exchanges and also published in the newspapers.

The e-voting period was commenced on Thursday, September 24, 2020 at 09:00 AM IST and ended on Friday, October 23, 2020 at 05:00 PM IST and the Scrutinizer submitted her report on the Voting Results to the Chairman of the Company. The said report along with statement containing the voting results is uploaded on the website of the Company as well as of the Stock Exchanges.

**IV. Special Resolution proposed to be conducted through Postal Ballot**

No Special Resolution is proposed to be conducted through Postal Ballot.

**DISCLOSURES**

**Insider Trading**

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations') as amended from time to time, the Company has a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders ('the Code'). The said Code lays down guidelines which provide for the procedure to be followed and disclosures whilst dealing with shares of the Company. The Company has also put in place the policy on leakage of unpublished price sensitive information laying down the procedure/inquiry in case of leak of unpublished price sensitive information or suspected leak of such information by the Associate Person of the Company and has access to such information.

## **Related Party Transactions**

During the year, there were no transactions with related parties which were materially significant or in conflict with the interests of the Company and that require an approval of the Company's shareholders in terms of the Companies Act or SEBI Listing Regulations. All Related Party Transactions are placed before the Audit Committee and the Board for review and approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review on a quarterly basis. The detailed policy on Related Party Transactions is available on the website of the Company at [www.pearlpet.net](http://www.pearlpet.net). The details regarding Related Party Transactions are contained in the Notes to Financial Statements.

## **COMPLIANCE WITH REGULATIONS**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of penalties, strictures imposed on the Company by the exchanges or the board or other statutory authorities.

The Company has complied with mandatory requirements of SEBI (LODR) Regulations, 2015 and adopted some of the non-mandatory requirements.

### **Non-Mandatory**

#### **i. Modified opinion(s) in audit report**

The Company confirms that its financial statements are with unmodified audit opinion.

#### **ii. Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

The Company has obtained a certificate from Ms. Rashmi Sahni, Practicing Company Secretary stating that none of the Directors on the board of the company has been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/ Ministry of Corporate Affairs or any other statutory authority which forms the part of this Annual Report.

## **VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The Company has devised a Vigil Mechanism through Whistle Blower Policy for employees and other stakeholders to report their genuine concerns or grievances to the Chairperson of the Audit Committee for any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. No person was denied access to the Audit Committee in this regard. A detail of Policy is available on Company's website [www.pearlpet.net](http://www.pearlpet.net).

## **CEO AND CFO CERTIFICATION**

As required by Regulation 17(8) of SEBI (LODR) Regulations, 2015, Mr. Chand Seth, Chairman & Managing Director and Mr. Sanjeev Rikhi, Chief Financial Officer have given appropriate certifications to the Board of Directors certifying that the financial statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this report.

## **MEANS OF COMMUNICATION**

### **Financial Results**

The quarterly, half-yearly and annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015 and are generally published in the below mentioned newspaper:

- I. Financial Express (English Language)
- II. Hari Bhoomi (Hindi Language)

The results are also posted on the Company's website [www.pearlpet.net](http://www.pearlpet.net) after its submission to the Stock Exchanges. These are available in a freely downloadable format. The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges is posted through the filing system of the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals.

Apart from above, No official news releases were displayed and presentations were made to the institutional investors or to the analysts by the Company.

#### GENERAL SHAREHOLDERS' INFORMATION

##### 50<sup>th</sup> Annual General Meeting

Date and Time	September 30, 2021 at 12:30 P.M.
Venue	Not Applicable as the company is conducting meeting through Video Conferencing/Other Audio-Visual means pursuant to MCA /SEBI circulars.
Dividend payment date	Not Applicable
Book Closure	September 24, 2021 to September 30, 2021 (Both days inclusive)

##### Financial Calendar for the year 2021-22 (Tentative)

Financial Year	2021-22	
Results for the Quarter ending	Audited/Un-audited	Tentative date of reporting
June 30, 2021	Un-audited	On or before August 15, 2021
September 30, 2021	Un-audited	On or before November 14, 2021
December 31, 2021	Un-audited	On or before February 14, 2022
March 31, 2022	Audited	On or before May 30, 2022

The above dates are tentative and are subject to the relaxations already granted or to be granted by the regulatory authorities from time to time.

#### LISTING OF SHARES

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

Name of the Stock Exchange	Stock Code/ Symbol
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, 25 <sup>th</sup> Floor, Mumbai - 400 001	523260
<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> floor, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	PEARLPOLY

The annual Listing Fee/ Custodial Fee for the financial year 2020-21 have duly been paid to the Stock Exchanges/ Depositories.

**STOCK MARKET DATA FOR THE FINANCIAL YEAR 2020-21**

The monthly high- low of the Share price of the Company

Monthly/Year	NSE				BSE			
	Share Price				Share Price			
	High	Low	Close	CNX Nifty Close	High	Low	Close	Sensex Close
April 2020	13.25	10.20	12.40	9859.90	13.70	10.66	12.00	33717.62
May 2020	12.95	09.80	10.70	9580.30	12.85	10.15	10.25	32424.10
June 2020	18.25	09.45	15.30	10302.10	17.80	09.76	15.13	34915.80
July 2020	23.20	14.35	20.30	11073.45	23.00	14.65	20.40	37606.89
August 2020	21.15	17.40	17.40	11387.50	21.70	17.55	17.60	38628.29
September 2020	21.55	15.60	17.80	11247.55	21.65	15.90	19.75	38067.93
October 2020	18.25	15.40	16.00	11642.40	18.80	15.45	16.00	39614.07
November 2020	17.45	15.25	16.65	12968.95	17.15	15.05	16.50	44149.72
December 2020	21.60	15.25	20.55	13981.75	21.45	15.35	20.50	47751.33
January 2021	21.55	16.90	18.00	13634.60	21.20	17.00	18.35	46285.77
February 2021	18.90	14.75	15.30	14529.15	18.35	14.90	15.40	49099.99
March 2021	16.25	13.95	14.05	14690.70	16.05	14.00	14.00	49509.15

**Distribution of Shareholding as on March 31, 2021**

Shareholders			Share Amount		
Shareholding of Nominal value	Number of Shareholder	% of total shareholders	Number of shares	Amount in (Rs.)	% to total share capital
01 to 5000	8887	91.027	11,86,712	1,18,67,120	7.049
5001 to 10000	453	4.640	3,77,086	37,70,860	2.240
10001 to 20000	202	2.069	3,04,127	30,41,270	1.807
20001 to 30000	67	0.686	1,67,977	16,79,770	0.998
30001 to 40000	26	0.266	95,018	9,50,180	0.564
40001 to 50000	30	0.307	1,40,592	14,05,920	0.835
50001 to 100000	40	0.410	2,93,204	29,32,040	1.742
100001 and above	58	0.594	1,42,70,216	14,27,02,160	84.766
<b>Total</b>	<b>9763</b>	<b>100.000</b>	<b>1,68,34,932</b>	<b>16,83,49,320</b>	<b>100.000</b>

**Shareholding Pattern of the Company as on March 31, 2021**

Sl No.	Category	No. of Shares Held	% of shareholding
1	Promoters	93,56,490	55.58
2	Mutual Fund and UTI	5,410	0.03
3	Banks, Financial Institutions, NBFC, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	4,01,382	2.38
4	Bodies Corporate	6,47,709	3.85
5	Indian Public	62,27,372	37.00
6	NRIs/OCBs/FIIs	30,778	0.18
7	Clearing Member	1,65,791	0.98
	<b>TOTAL</b>	<b>1,68,34,932</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

As on March 31, 2021, the status of Equity Shares in demat and physical form is provided hereunder:

Particulars	No. of Shares	% to share capital
Shares in Demat Form held with NSDL	1,46,35,091	86.93

Shares in Demat Form held with CDSL	14,39,294	8.55
Shares in Physical Form	7,60,547	4.52
<b>Total</b>	<b>1,68,34,932</b>	<b>100.00</b>
Depositories	National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)	
ISIN	INE844A01013	

#### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Please refer notes to Financial Statements which forms the part of this Annual Report.

#### SHARE TRANSFER SYSTEM

The share transfer requests, if any received in physical form are processed through Registrar and Share Transfer Agent (RTA), within the prescribed time period from the date of receipt, subject to the completeness of documents in all aspects. A statement summarizing the transfer/transmission/Remat/ Demat/Sub-Division of securities of the Company is also placed at the quarterly board meeting.

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations 2015, the Company obtains a half- yearly certificate on compliance with share transfer process from a Practicing Company Secretary and a copy of the same is filed with the Stock Exchanges.

#### OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued GDRs or ADRs or Warrants or any Convertible instruments.

#### CREDIT RATING

Credit Rating obtained by the Company from India Ratings & Research Private Limited during the year is as below:

Instrument Type	Rating/Outlook	Rating Action
Fund-based workingcapital limit	IND B-/Stable/IND A4	Downgraded
Non-fund-based workingcapital limit	IND B-/Stable/IND A4	Downgraded

#### COMPLAINTS UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, no complaint received from any woman employee as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### ADDRESS FOR CORRESPONDENCE DURING THE YEAR WAS AS FOLLOWS:

Registrar and Share Transfer Agent	Company Secretary
<b>Mas Services Limited</b> T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  Phone No :011-26387281-83, Fax No : 011-26387384, E-mail: <a href="mailto:info@masserv.com">info@masserv.com</a> Website: <a href="http://www.masserv.com">www.masserv.com</a>	<b>Mr. Vineet Gupta</b> A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020  Phone No:011-47385300 Fax No : 011-47480746 E-mail: <a href="mailto:pearlsecretarial@pearlpet.net">pearlsecretarial@pearlpet.net</a> Website: <a href="http://www.pearlpet.net">www.pearlpet.net</a>

**PLANT LOCATIONS**

Sl No.	Location of Plant(s)	Address
1	Mahad	B-3/2, M.I.D.C. Industrial Area, Mahad, Distt.-Raigad, Maharashtra-402309
2	Jigani	13-A, Part-I, Jigani Industrial Area, Distt. Anekal, Bangalore, Karnataka-562106
3	Baddi	Khasra No 512-513, Village Sandholi, P.O. Baddi, Nalagarh, Himachal Pradesh-173205
4	Pant Nagar	Plot No 45, Sector-3, Village Kalyanpur, Distt U.S.,Nagar, IIE, Rudrapur, Pant Nagar, Uttaranchal-263153
5	Guwahati	Plot No 10,JagatiLogistic,Distt. Kamrup, Village Sindurghopa Guwahati, Assam – 781101
<b>The above plants except Mahad are transferred to Manjushree Technopack Limited w.e.f 12<sup>th</sup> April, 2021.</b>		

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation (s) that they have complied with the code of conduct in respect of financial year ended on March 31, 2021.

For and on behalf of the **Board of Directors**

Place: New Delhi

Date: 30.06.2021

**Chand Seth**

Chairman & Managing Director

DIN: 00002944

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
Pearl Polymers Limited

I have examined the compliance of the conditions of Corporate Governance by Pearl Polymers Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

I further state that such compliance 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.

Place: Delhi

Date: 14.08.2021

UDIN: A025681C000892338

**Rashmi Sahni**

Practicing Company Secretary

Certificate Practice No. 10493

**CERTIFICATE BY THE CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

Pursuant to Regulation 17(8) Of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015

**The Board of Directors**

**M/s. Pearl Polymers Limited  
A-97/2, Okhla Industrial Area,  
Phase – II, New Delhi – 110020**

Dear Sir(s)/Madam,

1. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and certify that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further certify that, to the best of our knowledge and belief, no transactions entered into by the company during the year were fraudulent, illegal or violative of the Company's code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
  - a) significant changes in internal control over financial reporting during the year, if any;
  - b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place: New Delhi  
Date: 30.06.2021**

**Chand Seth  
Chairman & Managing Director**

**Sanjeev Rikhi  
Chief Financial Officer**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of**  
**Pearl Polymers Limited**  
**A-97/2, Okhla Industrial Area, Phase II,**  
**New Delhi- 110020**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pearl Polymers Limited having CIN: L25209DL1971PLC005535 and having registered office at A-97/2, Okhla Industrial Area, Phase II New Delhi-110020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	CHAND SETH	00002944	18/03/1971
2.	VARUN SETH	00017552	01/07/2006
3.	RAMESH MEHRA	00003334	31/10/2000
4.	ASHISH BHUVA HARISH	06780082	01/09/2014
5.	MEERA JOHRI	06881924	26/05/2014
6.	ANANT KANOI	00150667	31/03/2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: New Delhi  
Date : 05.08.2021

**Rashmi Sahni**  
**Practicing Company Secretary**  
**Membership No: 25681**  
**Certificate Practice No. 10493**  
**UDIN: A025681C000740901**

**INDEPENDENT AUDITOR'S REPORT**

To  
**THE MEMBERS OF**  
**M/s PEARL POLYMERS LTD.**  
**A-97/2, Industrial Area, Phase-II,**  
**Okhla, New Delhi-110020**

**Opinion**

We have audited the accompanying financial statements of **M/S PEARL POLYMERS LTD. ("the Company")**, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Contingent liabilities and provisions (refer note 38 to the financial statements)**

<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Company operates in various states within India, exposing it to a variety of different Central and State laws, regulations and interpretations thereof. In this complex regulatory environment, there is a risk of litigations and claims.</p> <p>Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims.</p> <p>At 31 March 2021, the Company's contingent liabilities are disclosed in note 38 to the financial statements.</p> <p>Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering</p>	<p>Our audit procedures on contingent liabilities and provisions included the following:</p> <ul style="list-style-type: none"> <li>• Obtained the outstanding litigations list as compared to the previous year. Enquired and obtained explanations for movement in litigations during the year.</li> <li>• Inquired with management regarding the status of significant litigations and claims including obtaining legal teams views on the likely outcome of each litigation and claim and the magnitude of potential exposure.</li> <li>• Examined the Company's legal expenses and read the minutes of Board meetings, to evaluate the completeness of list of the open litigations.</li> <li>• Read the latest correspondences between the</li> </ul>

<p>whether, and how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. Management recognises a provision when it has a present obligation as a result of part events and it is probable that an outflow of resources embodying economic benefits will be required to settle obligation. A contingent liability is recognised if there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p> <p>These estimates could change substantially over time as new facts emerge and as each legal case progresses.</p> <p>Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</p>	<p>Company and tax/legal authorities and reviewed legal opinions obtained by management where applicable, for significant matters and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters.</p> <ul style="list-style-type: none"> <li>• With respect to tax matters, we involved tax specialists to evaluate the significant cases and the technical grounds for Management's conclusions on provisions or disclosure of contingent liabilities.</li> <li>• For non-tax matters, we evaluated Management's decisions and rationale for provisions established or disclosures made for contingent liabilities.</li> </ul>
--	---

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind-AS 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No.39 to the financial statements).
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi  
Date: 30th June, 2021  
UDIN:- 21081482AAAACE9100

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

#### **Annexure - A to the Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pearl Polymers Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s Pearl Polymers Limited ("the Company")** as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Date: 30<sup>th</sup> June, 2021  
UDIN:- 21081482AAAACE9100

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

#### **Annexure - B to the Auditors' Report**

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:**

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically by the management during the year. According to the information explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.

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

(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of the inventories having regard to the size of the operations of the company.

iii) As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

iv) The company has not granted any loan, made any investments, provided any guarantee and security within the meaning of section 185 and 186 of the Companies Act, 2013.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vi) As explained to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities such as engaged in the production of goods or providing services by the Company.

vii) (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues of sales tax, income tax, excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below:-

Name of the Statute	Nature of the Dues	Amount (In'Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Producing and clearing dutiable and non-dutiable product under Notification No.4/97	360.59	March 1997 to June 1997	Commissioner of Central Excise, Raigad
The Central Excise Act, 1944	Interest on differential duty paid in respect of supplementary invoices	0.4	January 2001 to April 2003	CESTAT

The Central Excise Act, 1944	Disallowance of Cenvat Credit on the supply of pet chips	5.14	July 2004 to August 2004	Commissioner of Customs & Central Excise (Appeals), Mumbai III
Goods and Service Tax Act	Vehicle seized case 2018-19	1.24	2018-2019	Commissioner of Goods and Service Tax, Bhopal
		<b>367.38</b>		

- viii) According to the information and explanations given to us, and the records of the companies examined by us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks.
- ix) The Company has 'not raised any money by way of initial public offer or further public offer Order is not applicable.
- x) Based upon our audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi  
Date: 30<sup>th</sup> June, 2021  
**UDIN:- 21081482AAAACE9100**

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

**PEARL POLYMERS LIMITED**  
BALANCE SHEET AS AT 31st MARCH 2021

	PARTICULARS	Note No.	As at	
			31st Mar 2021	31st March 2020
			(Rs. in lakhs)	(Rs. in lakhs)
	1	2	3	4
<b>I</b>	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
	(a) Property, Plant & Equipment	2	3,890.10	4,460.38
	(b) Capital work-in-progress	3	3.40	-
	(c) Other Intangible Assets	4	11.83	16.42
	(d) Financial Assets			
	(i) Investments	5	208.30	208.30
	(ii) Loans	6	250.83	257.67
	(e) Other Non-Current Assets	7	3.17	5.83
	<b>Sub total Non Current Assets</b>		<b>4,367.63</b>	<b>4,948.60</b>
	<b>2 Current assets</b>			
	(a) Inventory	8	1,592.38	1,970.57
	(b) Financial Assets			
	(i) Investments	9	4.11	1.35
	(ii) Trade Receivables	10	2,656.09	3,042.04
	(iii) Cash and Cash Equivalents	11	228.96	248.08
	(iv) Loans	12	22.29	23.08
	(v) Other Financial Assets	13	14.58	16.57
	(c) Current Tax Assets (Net)	14	13.94	19.92
	(d) Other Current Assets	15	212.80	283.93
	<b>Sub total Current Assets</b>		<b>4,745.15</b>	<b>5,605.54</b>
	<b>TOTAL ASSETS</b>		<b>9,112.78</b>	<b>10,554.14</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1 Equity</b>			
	(a) Equity Share Capital	16	1,682.68	1,682.68
	(b) Other Equity	17	720.50	1,775.77
	<b>Sub Total Equity</b>		<b>2,403.18</b>	<b>3,458.45</b>
	<b>2 Non-current liabilities</b>			
	(a) Financial Liability			
	(i) Borrowings	18	383.85	522.22
	(b) Provisions	19	223.27	331.39
	(c) Deffered Tax Liability (Net)	20	-	-
	(d) Other Non Current Liabilities	21	57.09	72.81
	<b>Sub total Non Current Liability</b>		<b>664.21</b>	<b>926.42</b>
	<b>3 Current liabilities</b>			
	(a) Financial Liability			
	(i) Borrowings	22	2,447.88	2,115.55
	(ii) Trade Payables	23	2,603.11	3,254.76
	(iii) Other Financial Liabilities	24	179.06	180.73
	(b) Other Current Liabilities	25	798.26	598.10
	(c) Provisions	26	17.07	20.13
	<b>Sub total Current Liability</b>		<b>6,045.38</b>	<b>6,169.27</b>
	<b>TOTAL EQUITY AND LIABILITY</b>		<b>9,112.78</b>	<b>10,554.14</b>

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

2-53

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

For and on behalf of the board of directors

Naresh Khanna  
Partner  
M.No 081482

CHAND SETH  
Chairman & Managing Director  
DIN-00002944

VARUN SETH  
Whole Time Director  
DIN-00017552

Place: New Delhi  
Dated: 30th June, 2021  
UDIN:- 21081482AAAACE9100

Sanjeev Rikhi  
Chief Financial Officer

Vineet Gupta  
Company Secretary  
M.No.47642

**PEARL POLYMERS LIMITED**  
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2021

<b>PARTICULARS</b>	Note No.	For the Period ended 31.03.21 (Rs. in lakhs)	For the Year ended 31.03.20 (Rs. in lakhs)
1	2	3	4
Revenue from Operations	27	11,168.15	13,953.26
Other Income	28	360.60	251.32
<b>Total Income (1+2)</b>		<b>11,528.75</b>	<b>14,204.58</b>
<b>Expenses</b>			
(i) Cost of Materials Sold/Consumed	29	6,281.81	8,174.70
(ii) Purchase of stock in trade	30	74.21	342.04
(iii) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	31	254.07	108.19
(iv) Employees Benefits Expense	32	1,532.86	1,595.33
(v) Finance Costs	33	410.49	418.28
(vi) Depreciation and Amortization Expense	34	592.29	637.39
(vii) Other Expenses	35	3,440.64	4,175.43
<b>Total Expenses (4)</b>		<b>12,586.37</b>	<b>15,451.36</b>
<b>Profit/(loss) before exceptional items and tax (3-4)</b>		<b>(1,057.62)</b>	<b>(1,246.78)</b>
Exceptional Items		-	-
<b>Profit/(loss) before tax (5-6)</b>		<b>(1,057.62)</b>	<b>(1,246.78)</b>
<b>Tax Expenses:</b>			
(i) Current Tax		-	-
(ii) Deferred Tax		-	(131.90)
(iii) Tax adjustment for earlier year		-	-
<b>Profit (Loss) for the period from continuing operations (7-8)</b>		<b>(1,057.62)</b>	<b>(1,114.88)</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations (10-11)		-	-
<b>Profit/(loss) for the period (9+12)</b>		<b>(1,057.62)</b>	<b>(1,114.88)</b>
<b>Other Comprehensive Income</b>		2.35	32.12
A (i) Items that will not be reclassified to profit or loss		2.35	32.12
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period (13+14) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(1,055.27)</b>	<b>(1,082.76)</b>
<b>Earnings per equity share (for continuing operation):</b>			
(i) Basic		(6.29)	(6.63)
(ii) Diluted		(6.29)	(6.63)
<b>Earnings per equity share (for discontinued operation):</b>			
(i) Basic		0.00	0.00
(ii) Diluted		0.00	0.00
<b>Earnings per equity share (for discontinued &amp; continuing operation):</b>	36		
(i) Basic		(6.29)	(6.63)
(ii) Diluted		(6.29)	(6.63)

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

2-53

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

For and on behalf of the board of directors

CHAND SETH  
Chairman & Managing Director  
DIN-00002944

VARUN SETH  
Whole Time Director  
DIN-00017552

Naresh Khanna  
Partner  
M.No 081482

**Sanjeev Rikhi**  
Chief Financial Officer

Vineet Gupta  
Company Secretary  
M.No.47642

Place: New Delhi  
Dated: 30th June, 2021

UDIN:- 21081482AAAAACE9100

**PEARL POLYMERS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

	For the year Ended March 31, 2021 (Rs. in lakhs)	For the year Ended March 31, 2020 (Rs. in lakhs)
<b>A. Cash flow from operating activities:</b>		
Net profit / (loss) before tax	(1057.62)	(1246.78)
Adjustments for :		
Depreciation/Amortisation	592.29	637.38
Interest Expense	410.49	418.28
Interest Income	(20.93)	(46.48)
Actuarial Gain routed through OCI	2.35	32.12
(Profit)/loss on sale of assets	(176.77)	(123.91)
(Profit)/loss on revaluation of Investments	(2.76)	1.36
<b>Operating profit before working capital changes</b>	<b>(252.95)</b>	<b>(328.03)</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Sundry Debtors	385.96	1309.11
- (Increase)/Decrease in Other Receivables	153.27	(26.50)
- (Increase)/Decrease in Inventories	378.19	273.06
- Increase/(Decrease) in Trade and Other Payables	(568.36)	(832.90)
<b>Cash generated from operations</b>	<b>96.11</b>	<b>394.73</b>
- Taxes (Paid) / Received	5.98	8.04
<b>Net cash from operating activities (a)</b>	<b>102.09</b>	<b>402.77</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets		
Additions during the period	(88.51)	(191.25)
Proceeds from Sale of fixed assets	244.46	178.78
Interest Received (Revenue)	22.91	44.92
<b>Net cash used in investing activities (b)</b>	<b>178.86</b>	<b>32.45</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings(Net)	53.72	51.44
Proceeds from Short Term Borrowing	139.79	(76.56)
Interest Paid	(421.74)	(409.40)
<b>Net cash used in financing activities ( c)</b>	<b>(228.23)</b>	<b>(434.52)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>52.72</b>	<b>0.70</b>
<b>Cash and cash equivalents as at 01.04.2020</b>	<b>45.45</b>	<b>44.75</b>
<b>Cash and cash equivalents as at 31.03.2021</b>	<b>98.17</b>	<b>45.45</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand	1.19	11.17
Balance with Scheduled Banks	96.98	34.28
	<b>98.17</b>	<b>45.45</b>

**Notes :**

- The above Cash flow statement has been prepared under the indirect method set out in Ind AS-7 notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

**On Behalf of the Board**

For Sehgal Mehta & Co  
CHARTERED ACCOUNTANTS  
(FRN No.003330N)

CHAND SETH  
Chairman & Managing Director  
DIN-00002944

VARUN SETH  
Whole Time Director  
DIN-00017552

NARESH KHANNA  
Partner  
Membership No. 081482  
Place: New Delhi  
Dated: 30th June, 2021  
UDIN:- 21081482AAAACE9100

Sanjeev Rikhi  
Chief Financial Officer

Vineet Gupta  
Company Secretary  
M.No.47642

**PEARL POLYMERS LIMITED**  
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**A. EQUITY SHARE CAPITAL** (Rs. in Lakhs)

Particulars	As at year ended 31.03.2021	As at year ended 31.03.2020
Balance at the beginning of the year	1682.68	1682.68
Addition/(Deletion) during the year	-	-
<b>Balance at the end of the year</b>	<b>1682.68</b>	<b>1682.68</b>

**B. OTHER EQUITY** (Rs. in Lakhs)

Particulars	Reserve and Surplus					Other comprehensive income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 31st March, 2019	144.72	1,733.00	1,868.27	147.42	(1,102.57)	67.69	2,858.53
Profit for the year 2019-20	-	-	-	-	(1,114.88)	32.12	(1,082.76)
<b>Balance as at 31st March, 2020</b>	<b>144.72</b>	<b>1,733.00</b>	<b>1,868.27</b>	<b>147.42</b>	<b>(2,217.45)</b>	<b>99.81</b>	<b>1,775.77</b>
Profit for the year 2020-21	-	-	-	-	(1,057.62)	2.35	(1,055.27)
<b>Balance as at 31st March, 2021</b>	<b>144.72</b>	<b>1,733.00</b>	<b>1,868.27</b>	<b>147.42</b>	<b>(3,275.07)</b>	<b>102.16</b>	<b>720.50</b>

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

2-53

For Sehgal Mehta & Co.

Chartered Accountants

F.R.N: 003330N

Naresh Khanna

Partner

M.No 081482

Place: New Delhi

Dated: 30th June, 2021

UDIN:- 21081482AAAACE9100

For and on behalf of the board of directors

**CHAND SETH**

Chairman & Managing Director

DIN-00002944

**VARUN SETH**

Whole Time Director

DIN-00017552

Sanjeev Rikhi

Chief Financial Officer

Vineet Gupta

Company Secretary

M.No.47642

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021**
**1. COMPANY OVERVIEW**

Pearl Polymers Limited is a listed company incorporated and domiciled in India and has its principal place of business at A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The principal business of the company is manufacturing and trading of PET Jars and Bottles. The financial statements are approved for issue by the company's board of directors on **June 30, 2021**.

**2. SIGNIFICANT ACCOUNTING POLICIES**
**I. Basis of preparation and presentation of financial statements**
**A. Basis of preparation of financial statements**

These financial statements have been prepared and presented on a going concern basis under the historical cost convention (except those revalued), on the accrual basis of accounting and comply with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, guidelines issued by Securities and exchange board of India (SEBI) and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

**B. Statement of compliance with Ind-As**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

**C. Basis of Measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis except for the defined benefit and other long-term employee benefits obligations and Investments measured at fair value through profit and loss (FVTPL)/ fair value through other comprehensive income (FVTOCI) that have been measured at fair value as required by relevant Ind-AS.

**D. Use of Estimates and Judgments.**

The preparation of financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements is included in the following notes:

- i. **Income Taxes:** The Company's tax jurisdiction is India. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- ii. **Provisions and Contingencies:** The assessments undertaken in recognizing the provisions and contingencies have been made in accordance with Ind-AS 37, 'Provisions, Contingent Liabilities and Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.
- iii. **Post-Employment benefit plan:** Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- iv. **Other estimates:** The preparation of standalone financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of standalone financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns etc.

**E. Functional and Presentation Currency**

Items included in the standalone financial statements of the company are measured using Indian Rupee (Rs.) which is the functional currency of the company and the currency of the primary economic environment in which the entity operates. The presentation currency of the company is also Indian Rupee (Rs.) (rounded off to Rs. lakhs up to two decimals)

**II. Summary of significant accounting policies**
**A. Financial Instruments**
**i. Financial Assets**

Financial assets comprise investments in equity and debt instruments, mutual funds, security deposits, inter-corporate deposits, trade receivables, Cash and cash equivalents and other eligible assets.

**Initial recognition and measurement**

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent Measurement

Financial Assets measured at amortized cost: Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortization is recognized as finance income in the Statement of Profit and Loss. Assets at amortized cost are represented by inter corporate deposits, trade receivables, security deposits, cash and cash equivalents and other eligible current and noncurrent financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the expected interest rate (EIR) model.
- **Equity instruments other than investment in associates:** The management determines at the initial recognition of investments in Equity instruments whether to measure it at FVTPL or FVTOCI. However, the equity instruments held for trading are always classified at fair value through Profit or Loss (FVTPL). The classification of investments at FVTOCI is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognized in other comprehensive income (OCI).
- **Financial assets at fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. Fair value changes are recognized in Statement of Profit and Loss.

#### De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualified for de-recognition. On de-recognition of financial asset in its entirety the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit and Loss.

#### Impairment of financial assets

Trade receivables, contract assets, receivables under Ind-AS 109, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. The approach followed by the company for recognizing the impairment loss is given below:

##### □ Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. The company estimates the following provision matrix at the reporting date:

Period past due	Default rate
0 to 1 year	0%
2 to 2 year	0%
More than 2 years	10%
More than 3 years	100%
Doubtful receivables	100%

##### □ Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL issued. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

## ii. Financial liabilities

Financial liabilities comprise trade payables and other eligible liabilities.

### Initial recognition and measurement

Financial liabilities are initially recognized at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

### Subsequent measurement

- **Financial liabilities at amortized cost:** The Company has classified the following under amortized cost:

- a) Trade payables
- b) Other eligible financial liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the cumulative amortization using the effective interest rate (EIR) method of any difference between that initial amount and the maturity amount.

- **Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profits or losses are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

### De-recognition of financial liabilities

A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

### iii. Off-setting of financial assets and financial liabilities:

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

### iv. Reclassification of financial assets

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## B. Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts.

## C. Property, Plant and Equipment

Property, Plant and Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. The cost comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of self-constructed asset include the cost of material, direct labour and any other costs directly attributable to bringing the asset to its working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognized net within "Other income/ Other expenses" in the Statement of Profit and Loss.

The cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

#### Subsequent costs

The cost of replacing part of an item of Property, Plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit and Loss.

#### Depreciation

Depreciation on property, plant & equipment is provided on pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life (Years)
Buildings	60
Furniture & Fixture	10
Plant & Machinery	15
Electrical Installation	10
Office Equipments	5
Computer	3
Vehicles	8

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and has useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term. Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from property, plant & equipment is provided for up to the date of sale/adjustment, as the case may be.

Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The depreciation method, useful lives and residual value are reviewed at each of the reporting date.

#### D. Intangible assets

Intangible asset are carried at cost of acquisition less amortization. The cost of an item of intangible assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

#### Amortization of Intangible assets

Intangible assets are amortized on straight line method on pro-rata basis over a period of three years.

#### E. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase as per the requirement of Schedule II of the Companies Act, 2013. The leasehold investment properties are amortized over the term of the lease.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

#### F. Investments in subsidiaries and associates

Investment in subsidiaries and associates is recognized at cost less impairment. Dividend income from subsidiaries and associates is recognized when its right to receive the dividend is established.

#### G. Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the standalone financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was

determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

#### **H. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

#### **I. Leases**

##### **Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

##### **J. Deposits provided to lessor**

The company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. "Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

#### **K. Revenue**

Revenue from the sale of Flat/Plots is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Interest income is recognized as it accrues in Statement of Profit and Loss using the effective interest method.

Profit on trading of mutual fund units is recognized only on redemption of units.

#### **L. Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses are recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

#### **Reversal of impairment loss**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

#### **M. Earnings per share (EPS)**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later

date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

#### **N. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less as at the balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less from the balance sheet date and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **O. Employee Benefits**

##### **i. Short Term Benefits**

Employee benefits (other than post employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

##### **ii. Post Employment Benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following post-employment benefit plans:

##### **Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

##### **iii. Other long term employee benefits**

##### **Leave Encashment**

The employees of the Company are entitled to leave encashment. The employees can carry forward a portion of the unutilized accumulating leaves and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave encashment based on actuarial valuation. Non-accumulating leave encashment are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

#### **P. Provisions & Contingencies**

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **Q. Income Taxes**

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

##### **Current Tax**

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those

that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

**Deferred Tax**

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## PEARL POLYMERS LIMITED

## 2A. PROPERTY, PLANT AND EQUIPMENT

Rs. In lakhs

The following table shows changes in Property, Plant and Equipment during the year ended 31st March 2021

	Land Freehold	Land Leasehold	Building	Plant & Machinery	QC Equipment	Electrical Instalation	Moulds	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
<b>Cost or Valuation</b>												
<b>As at 1.4.2020</b>	90.80	151.42	1,265.01	3,527.25	0.30	155.92	1,448.56	40.78	33.36	151.49	27.63	6,892.52
Additions	-	-	-	5.44	-	-	74.54	-	2.27	-	0.86	83.11
Branch Trf (Received)	-	-	-	172.51	-	-	171.98	-	-	-	-	344.50
Disposals	-	-	(54.54)	(1.24)	-	-	(19.14)	(2.24)	-	(0.31)	-	(77.47)
Branch Trf (Send)	-	-	-	(172.51)	-	-	(171.98)	-	-	-	-	(344.50)
<b>As at 31.03.2021</b>	90.80	151.42	1,210.47	3,531.46	0.30	155.92	1,503.96	38.53	35.63	151.18	28.49	6,898.16
<b>Depreciation</b>												
<b>As at 1.4.2020</b>	-	6.83	235.74	1,554.16	0.01	58.42	443.35	16.14	19.66	75.55	22.28	2,432.14
Charges for the year	-	1.66	57.64	349.60	0.06	13.63	138.46	3.75	4.44	14.62	1.85	585.70
Branch Trf -Received	-	-	-	75.07	-	-	62.60	-	-	-	-	137.67
Disposals	-	-	(5.91)	(0.93)	-	-	(1.06)	(1.87)	-	(0.01)	-	(9.79)
Branch Trf (Send)	-	-	-	(75.07)	-	-	(62.60)	-	-	-	-	(137.67)
<b>As at 31.03.2021</b>	-	8.49	287.46	1,902.83	0.06	72.05	580.74	18.02	24.11	90.15	24.13	3,008.05
<b>Net Block</b>												
<b>As at 31.03.2021</b>	90.80	142.93	923.00	1,628.63	0.23	83.87	923.21	20.51	11.52	61.03	4.36	3,890.11
As at 31.3.2020	90.80	144.59	1,029.27	1,973.09	0.29	97.50	1,005.21	24.63	13.70	75.95	5.35	4,460.38

## 3A. CAPITAL WORK IN PROGRESS

The following table shows change in Capital Work in Progress during the year ended 31st March 2021

Particulars	Capital work in progress
<b>As at 1.4.2020</b>	-
Addition	3.40
Amount transferred from CWIP	-00
<b>As at 31.03.2021</b>	3.40

## 4A. INTANGIBLE ASSETS

Particulars	Software	Total
<b>Gross Carrying value</b>		
<b>As at 1.4.2020</b>	33.54	33.54
Addition	2.00	2.00
Deletions	-	-
<b>As at 31.03.2021</b>	35.54	35.54
<b>Amortization</b>		
<b>As at 1.4.2020</b>	17.12	17.12
Charges for the year	6.59	6.59
Deletions	-	-
<b>As at 31.03.2021</b>	23.72	23.72
<b>Net Carrying Value</b>		
<b>As at 31.03.2021</b>	11.83	11.83
As at 31.3.2020	16.42	16.42

## PEARL POLYMERS LTD

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st March 2021

**NON CURRENT ASSETS**

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>2 Property Plant &amp; Equipment</b>				
Property, Plant & Equipment		3,890.10		4,460.38
<b>Total Property Plant &amp; Equipment</b>		<b>3,890.10</b>		<b>4,460.38</b>
<b>3 Capital work in progress</b>				
Capital work in progress		3.40		-
<b>Total Capital work in progress</b>		<b>3.40</b>		<b>-</b>
<b>4 Other Intangible Assets</b>				
Other Intangible Assets		11.83		16.42
<b>Total Other Intangible Assets</b>		<b>11.83</b>		<b>16.42</b>

**FINANCIAL ASSETS**

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>5 Investments</b>				
<b>Investments at fair value through OCI (Fully paid)</b>				
<b>Investment in Associates</b>				
<b>Investment in Preference Shares-Unquoted</b>				
i) 84,500 (Previous Year -84,500) 6% Redeemable Non-Cumulative Preference Shares of Rs.100/- each of Pacific Pearl Finance & Leasing Ltd		84.50		84.50
ii) 7,06,000 Preference Shares (Previous Year -7,06,000) of Rs.100/- each in Pearl Engineering Polymers Ltd.		55.92		55.92
<b>Investment in Equity Shares-Unquoted</b>				
i) 54,92,960 Equity Shares (Previous Year - 54,92960) Equity Shares of Rs.10/- each in Pearl Engineering Polymers Ltd.		67.01		67.01
<b>Investment in Equity Shares-Quoted</b>				
i) 27,450 (Previous Year 27,450) Equity Shares of Rs.10/- each in Pearl Apartments Ltd.		0.87		0.87
<b>Total Investments</b>		<b>208.30</b>		<b>208.30</b>
Aggregate market value of Quoted Investments		113.07		113.07
Aggregate amount of Quoted Investments		0.87		0.87
Aggregate amount of Unquoted Investments		207.43		207.43

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>6 Loans</b>				
Security Deposits-unsecured-considered good				
- Considered Good	250.83		257.67	
- Less Provision for Doubtful	-	250.83	-	257.67
<b>Total Loans</b>		<b>250.83</b>		<b>257.67</b>

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>7 Other Non Current Assets</b>				
Vat Recoverable		0.37		0.37
Prepaid Expenses		2.75		5.46
Other advances	4.74		4.69	
Less: Provision for doubtful advances	(4.69)	0.05	(4.69)	0.00
<b>Total Other Non Current Assets</b>		<b>3.17</b>		<b>5.83</b>

**CURRENT ASSETS**

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>8 Inventories</b>				
Raw Materials		432.66		358.98
Raw Materials in transit		-		98.34
Finished Goods and Accessories		717.03		895.02
Semi-finished Goods		45.83		73.70
Packing Materials		122.99		142.02
Packing Materials in transit		-		0.45
Stores & Spares		148.33		227.59
Spares in Transit		-		0.72
Finished Goods in transit		7.72		0.79
Stock in Trade		117.82		172.96
<b>Total Inventories</b>		<b>1,592.38</b>		<b>1,970.57</b>

**FINANCIAL ASSETS**

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>9 Investments</b>				
<b>Investments at fair value through OCI (Fully paid)</b>				
<b>Others</b>				
i) 2,000 (Previous Year 2,000) Equity Shares of Rs.10/-				

in Valliant Communications Ltd.		1.35		0.37
ii) 3,300 (Previous Year 3,300) Equity shares of Rs..10/- each of Pasupati Fincap Ltd.		0.03		0.03
iii)100 (Previous Year 100) Equity shares of Rs.10/- each of Prism Cement Ltd.		0.13		0.03
iv) 5,000 (Previous Year 5,000) Equity shares of Rs.10/- each of Master Trust Ltd.		2.37		0.66
v) 600 (Previous Year 600) Equity shares of Rs.10/- each of Dion Global Solutions Ltd		0.01		0.01
vi) 5,900 (Previous Year 5,900) Equity shares of Rs.10/- each of Market Creator Ltd.		0.22		0.25
<b>Total Investments</b>		<b>4.11</b>		<b>1.35</b>

10 <b>Trade Receivables</b>	As at 31st March 2021		As at 31st March 2020	
Unsecured considered good		2,656.09		3,042.04
Unsecured considered doubtful		159.04		159.04
		2,815.13		3,201.08
Less: Provision for Doubtful Debts		(159.04)		(159.04)
<b>Total Trade Receivables</b>		<b>2,656.09</b>		<b>3,042.04</b>

11 <b>Cash and Cash Equivalents</b>	As at 31st March 2021		As at 31st March 2020	
Balances with Banks				
- Current account	96.98		34.28	
Cash in hand	1.19		11.17	
Deposits with Original Maturity for more than 3 months but less than 12 months (Margin Money)	130.79		202.63	
		228.96		248.08
<b>Total Cash and Cash Equivalents</b>		<b>228.96</b>		<b>248.08</b>

12 <b>Loans</b>	As at 31st March 2021		As at 31st March 2020	
Security Deposits-secured-considered good		22.29		23.08
<b>Total Loans</b>		<b>22.29</b>		<b>23.08</b>

13 <b>Other Financial Assets</b>	As at 31st March 2021		As at 31st March 2020	
Interest Receivables		14.58		16.57
<b>Total Other Financial Assets</b>		<b>14.58</b>		<b>16.57</b>

14 <b>Current Tax Assets (Net)</b>	As at 31st March 2021		As at 31st March 2020	
Income tax advances (net of tax liability)		13.94		19.92
<b>Total Current Tax Assets (Net)</b>		<b>13.94</b>		<b>19.92</b>

15 <b>Other Current Assets</b>	As at 31st March 2021		As at 31st March 2020	
<b>Advances Recoverable from Related Parties-Unsecured-considered good</b>				
Balances with GST,excise and custom authorities		60.60		103.49
Prepaid Expenses		17.65		28.97
Tour & Other advances to Staff		9.00		19.61
Capital Advances-unsecured-considered good		69.01		22.32
Advance to supplier		34.25		68.07
Discounts Receivable		1.33		3.56
Others		20.96		37.91
<b>Total Other Current Assets</b>		<b>212.80</b>		<b>283.93</b>

**EQUITY AND LIABILITIES**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021**

**16 EQUITY SHARE CAPITAL**

Particulars	As at 31st March 2021		As at 31st March 2020	
<b>AUTHORISED</b>				
3,00,00,000(Previous Year-3,00,00,000) Equity shares of Rs.10/- each		3,000.00		3,000.00
20,00,000(Previous Year-20,00,000) Non Cumulative Redeemable Preference Shares of Rs.100/- each		2,000.00		2,000.00
<b>Total Authorised Capital</b>		<b>5,000.00</b>		<b>5,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>				
168,34,932(Previous Year 168,34,932) Equity shares of `10/-each.	1,683.49		1,683.49	
Less : Calls in Arrears	(0.81)	1,682.68	(0.81)	1,682.68
<b>Total issued, subscribed and paid-up capital</b>		<b>1,682.68</b>		<b>1,682.68</b>

(a) The reconciliation of the number of equity shares outstanding is set out below:-

Particulars	No. of Shares	Amount
<b>As at 31st March 2020</b>	16,834,932	168,349,320
Add/(less): Issued/(redeemed) during the year	-	-
<b>As at 31st March 2021</b>	16,834,932	168,349,320

**(b) Number of shares held by each equity shareholder holding more than 5 percent of the issued share capital:**

Particulars	No. of Shares (in lakhs)	% of holding
<b>As at 31st March 2020</b>		
Mr. Chand Seth	11.53	6.85%
Pearl Telefonics Ltd. (formaly known as Sinclair Exports Ltd.)	23.28	13.83%
Pacific Pearl Finance & Leasing Ltd.	12.36	7.34%
Theta Investments Pvt Ltd	20.64	12.26%
<b>As at 31st March 2021</b>		
Mr. Chand Seth	12.39	7.36%
Pearl Telefonics Ltd. (formaly known as Sinclair Exports Ltd.)	23.28	13.83%
Pacific Pearl Finance & Leasing Ltd.	12.36	7.34%
Theta Investments Pvt Ltd	20.64	12.26%

OTHER EQUITY	As at 31st March 2021	As at 31st March 2020
<b>(a) Reserve and Surplus</b>		
<b>Capital Reserve</b>		
Balance at the commencement of the year	144.72	144.72
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	<b>144.72</b>	<b>144.72</b>
<b>Capital Redemption Reserve</b>		
Balance at the commencement of the year	1,733.00	1,733.00
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	<b>1,733.00</b>	<b>1,733.00</b>
<b>Securities Premium Reserve</b>		
Balance at the commencement of the year	1,868.27	1,868.27
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	<b>1,868.27</b>	<b>1,868.27</b>
<b>General Reserve</b>		
Balance at the commencement of the year	147.42	147.42
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	<b>147.42</b>	<b>147.42</b>
<b>Retained Earnings</b>		
Balance at the commencement of the year	(2,217.45)	(1,102.57)
Add: Profit/(loss) during the year	(1,057.62)	(1,114.88)
<b>Balance at the end</b>	<b>(3,275.07)</b>	<b>(2,217.45)</b>
<b>Total (a)</b>	<b>618.34</b>	<b>1,675.96</b>
<b>(a) Other Components of Equity</b>		
<b>Remeasurement of net defined benefit plan</b>		
Balance at the commencement of the year	99.81	67.69
Add: Profit/(loss) during the year	2.35	32.12
<b>Balance at the end</b>	<b>102.16</b>	<b>99.81</b>
<b>Total (a)</b>	<b>102.16</b>	<b>99.81</b>
<b>Total (a+b)</b>	<b>720.50</b>	<b>1,775.77</b>

**NON CURRENT LIABILITIES****FINANCIAL LIABILITIES**

18 <b>Borrowings</b>	As at 31st March 2021	As at 31st March 2020
Term Loans from Other Parties (secured)	-	183.33
Vehicle Loans from Banks (secured)	7.94	18.95
Other loans and advances		
Loan from Directors (unsecured)	375.91	319.94
<b>Total Borrowings</b>	<b>383.85</b>	<b>522.22</b>

**I Term Loans**

(i) Term Loan of Rs. Nil (Previous Year Rs. 77.98 lakhs) was secured by way of first charge on immovable property situated at Baddi (Himanchal Pradesh). The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Varun Seth, Directors of the Company. This loan has been paid fully in the month of October 2021.

(ii) Term Loan of Rs. Nil (Previous Year Rs. 144.53 lakhs) was secured by way of exclusive charge on some plant & machineries installed at Company's all units and also have negative lien over the property being industrial land & building situated at Baddi (Himanchal Pradesh). The above said loan was further secured by personal guarantee of Mr. Chand Seth & Mr. Varun Seth, Directors of the Company. This loan has been fully pre-paid in the month of November 2021.

(iii) Term Loan of Rs. Nil (Previous Year Rs. 172.59 lakhs) was secured by way of exclusive charge on some plant & machineries installed at Company's Mahad, Baddi & Jigani units and also have negative lien over the property being industrial land & building situated at Baddi (Himanchal Pradesh). The above said loan was further secured by personal guarantee of Mr. Chand Seth & Mr. Varun Seth, Directors of the Company. This loan has been fully pre-paid in the month of November 2021.

## II Vehicles Loans

Vehicle loans of Rs.18.96 lakhs (Previous Year Rs. 29.85 lakhs) are secured against hypothecation of respective vehicles. Repayments - in monthly installment till 01.04.2023

### Repayments of above Vehicles Loans are as follows:

(i) From 0 to 1 years - Rs. 11.02 lakhs

(ii) From 1 to 2 years - Rs. 7.52 lakhs

(iii) From 2 to 3 years - Rs.0.42 lakhs

## NON FINANCIAL LIABILITIES

19 Provisions	As at 31st March 2021		As at 31st March 2020	
<b>Provision for Employees Benefits</b>				
Gratuity		177.14		267.55
Leave Encashment (Refer note No. 48)		46.13		63.84
<b>Total Provisions</b>		<b>223.27</b>		<b>331.39</b>
<b>20 Deferred Tax Liability (Net)</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
<b>Deferred Tax Assets</b>				
Provision for Doubtful Debt and Advances		41.35		41.35
Provision for Leave Encashment		16.43		21.83
Gratuity		46.06		69.56
Unabsorbed Depreciation		400.49		380.49
Bonus		4.69		6.38
		<b>509.02</b>		<b>519.61</b>
<b>Deferred Tax Liabilities</b>				
Depreciation		509.02		519.61
		<b>509.02</b>		<b>519.61</b>
<b>Total Deferred Tax Liability (Net)</b>		<b>-</b>		<b>-</b>
<b>21 Other Non Current Liabilities</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
<b>Others</b>				
Security Deposits Received		57.09		72.81
<b>Total Other Non Current Liabilities</b>		<b>57.09</b>		<b>72.81</b>

## CURRENT LIABILITIES

### FINANCIAL LIABILITIES

22 Borrowings	As at 31st March 2021		As at 31st March 2020	
Term Loans from Other Parties (secured)		-		211.72
Vehicle Loans from Banks (secured)		11.02		10.90
Working Capital Loans (secured)		1,816.22		1,676.43
Loans (ICD) (unsecured)		620.64		216.50
<b>Total Borrowings</b>		<b>2,447.88</b>		<b>2,115.55</b>
<b>23 Trade Payables</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
Creditors for Raw materials		1,907.26		2,238.52
Due to Micro and Small Enterprises*	2.63		2.97	
Others	1,904.63		2,235.55	
Creditors for Capital Goods		21.78		82.20
Creditors for Other Service		674.07		934.04
*(Refer Note No. 49 for details of dues to Micro & Small Enterprises)				
<b>Total Trade Payables</b>		<b>2,603.11</b>		<b>3,254.76</b>
<b>24 Other Financial Liabilities</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
Interest accrued but not due		6.81		18.06
Employee benefits payable				
-Bonus Payable		18.05		24.55
-Exgratia Payable		2.93		8.65
-EPF Payable		6.23		15.30
-ESI Payable		3.61		4.81
-LTA Payable		10.27		8.11
-Professional Tax Payable		0.14		0.41
-Salay Payable		99.83		97.52
-Directors Remuneration Payable		31.19		3.31
<b>Total Other Financial Liabilities</b>		<b>179.06</b>		<b>180.73</b>

<b>NON FINANCIAL LIABILITIES</b>				
<b>25</b>	<b>Other Current Liabilities</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>
	ILC Interest payable		4.22	2.34
	Additional Goods Tax Payable		0.71	1.11
	Expense Payable		164.14	283.90
	Sales Tax/VAT Payable		2.96	4.29
	GST Payable		51.55	108.96
	TDS Payable		17.22	13.71
	Wages Payable		0.40	0.40
	Unclaimed Matured Deposits		-	0.45
	Staff Advance		21.38	9.84
	Pearl Employees Thrift Society		3.89	20.05
	Stale Cheque		-	0.62
	Relief Fund		0.73	0.73
	Advance Received from customers		269.13	150.05
	LIC Recoveries		0.08	0.13
	Other Payables		261.85	1.52
	<b>Total Other Current Liabilities</b>		<b>798.26</b>	<b>598.10</b>
<b>26</b>	<b>Provisions</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>
	<b>Provision for Employees Benefits</b>			
	Leave Encashment (Refer Note No. 48)		17.07	20.13
	<b>Total Provisions</b>		<b>17.07</b>	<b>20.13</b>
<b>27</b>	<b>Revenue from Operations</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>
	<b>Sale of products</b>		11,036.68	13,807.66
	<b>Other operating revenues</b>		131.47	145.60
	<b>Total Revenue from Operations</b>		<b>11,168.15</b>	<b>13,953.26</b>
<b>28</b>	<b>Other Income</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>
	<b>Interest income on</b>			
	Bank Deposits		8.21	13.13
	Security Deposits		11.57	16.39
	Others		1.16	16.96
	Rent Received		-	2.16
	Exchange Rate Difference		23.44	-
	Net gain/loss on revaluation of investments		2.76	-
	Insurance Claims Received		2.68	1.79
	Balances written back		104.65	41.47
	Profit on sale of Fixed Assets		176.77	123.91
	Discount Scheme (Trade)		1.27	-
	Mould Development charges		22.69	4.17
	Misc Income		5.40	31.34
	<b>Total Other Income</b>		<b>360.60</b>	<b>251.32</b>
<b>29</b>	<b>Cost of Raw Materials Consumed</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>
	<b>Raw Materials</b>			
	Inventory at the beginning of the year	457.32		562.11
	Add: Purchase	5,326.77		7,016.49
	Less: Inventory at the end of the year	432.67	5,351.42	457.32
	<b>Packing Materials</b>			
	Inventory at the beginning of the year	142.47		196.54
	Add: Purchase	631.30		708.21
	Less: Inventory at the end of the year	122.99	650.78	142.47
	<b>Direct Purchase</b>			
	Pet Preforms	107.55		93.88
	Pet Bottles & Jars	-		10.49
	Caps/Wads	172.06	279.61	186.77
	<b>Total Cost of Raw Materials Consumed</b>		<b>6,281.81</b>	<b>8,174.70</b>
	<b>Particulars of Raw Materials consumed</b>	<b>Value Rs. in lakhs Mar 31, 2021</b>		<b>Value Rs. in lakhs March 31, 2020</b>
	Pet Chips		4,366.09	5,930.58
	Polypropylene		857.15	1,075.59
	Other		128.18	115.11
			<b>5,351.42</b>	<b>7,121.28</b>

30	<b>Purchase of Traded goods</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	Pet Bottles & Jars		13.16		16.56
	Others		61.05		325.48
			<b>74.21</b>		<b>342.04</b>
31	<b>Changes in inventories of Finished Goods, Stock in Process and Stock</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	Inventory at the beginning of the year				
	Finished goods and Accessories	895.81		1,098.90	
	Stock in Trade	172.96		46.38	
	Semifinished goods	73.70	1,142.47	105.38	1,250.66
	Inventory at the end of the year				
	Finished goods and Accessories	(717.03)		(895.81)	
	Stock in Trade	(117.82)		(172.96)	
	Semifinished goods	(53.55)	(888.40)	(73.70)	(1,142.47)
			<b>254.07</b>		<b>108.19</b>
32	<b>Employee benefit Expenses</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	Salary, Wages, Bonus & Other Allowance		1,405.82		1,431.96
	Contribution to P.F, ESI & other Funds		102.42		122.02
	Staff Welfare expenses		24.62		41.35
	<b>Total Employee benefit Expenses</b>		<b>1,532.86</b>		<b>1,595.33</b>
33	<b>Finance Costs</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	<b>Interest Expenses</b>		361.53		355.01
	<b>Other Borrowing Cost</b>		48.96		63.27
	<b>Total Finance Cost</b>		<b>410.49</b>		<b>418.28</b>
34	<b>Depreciation and Amortization</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	Depreciation		585.70		630.57
	Amortization		6.59		6.82
	<b>Total Depreciation and Amortization</b>		<b>592.29</b>		<b>637.39</b>
35	<b>Other Expenses</b>	<b>As at 31st March 2021</b>		<b>As at 31st March 2020</b>	
	Consumption of Stores & Spares		311.75		240.18
	Freight, Octroi & Cartage		351.70		493.53
	Power and Fuel		1,415.60		1,741.77
	Electricity & Water Charges		14.86		26.19
	Advertisement, Publicity & Selling expenses		104.55		127.64
	Printing, Stationery, Postage, Telephone & Telex		24.55		42.90
	Rent		81.32		77.59
	Repairs & Maintenance				
	- Building		13.07		13.50
	- Machinery		46.80		57.61
	- Others		33.17		40.89
	Insurance		32.05		31.56
	Rates & Taxes		19.22		23.38
	Commission		3.86		7.12
	Conveyance & Travelling expenses		64.56		170.88
	Legal & Professional Fees		119.47		113.88
	Payment to Auditors (Refer details below)		41.52		28.02
	Exchange Rate Fluctuation (Net)		-		74.69
	Donations		0.37		0.67
	Director's Sitting fees		0.60		0.40
	Sales Tax Additional Demand		10.39		8.92
	Bad debts written off		0.15		30.76
	Loss on revaluation of Investments		-		1.36
	Advances written off		13.43		0.38
	Wages Contractors		557.91		605.21
	Security Expense		76.68		87.22
	Hire Charges		5.20		3.36
	Miscellaneous expenses		33.77		50.41
	Job work/Processing charges		64.09		75.41
	<b>Total Other Expenses</b>		<b>3,440.64</b>		<b>4,175.43</b>
	<b>Payment to Auditors</b>		<b>Statutory Auditors</b>		<b>Statutory Auditors</b>
	Audit Fees				
	Fee as Auditors		30.72		15.72
	Tax Audit Fee		4.30		6.30

Fee for Other Services*		6.50	6.00
<b>Total Payment to Auditors</b>		<b>41.52</b>	<b>28.02</b>

\*Fees for Other Services primarily includes certification fees paid to auditors.

36 Earning per share (EPS) The following reflects the basic and diluted EPS computations : <b>Total operations for the year</b>	2020-21		2019-20	
	(Rs. in lakhs)	(No. in lakhs)	(Rs. in lakhs)	(No. in lakhs)
Net Profit/(Loss) for allocation of basic EPS	(1,057.62)		(1,114.88)	
Weighted average number of equity shares in calculating basic EPS	168.35		168.35	
Basic Earning per share (Rs.)	<b>(6.28)</b>		<b>(6.62)</b>	
Total No of weighted average Equity Shares including diluted potential Equity Shares outstanding during the year	168.35		168.35	
Diluted Earning per share (Rs.)	<b>(6.28)</b>		<b>(6.62)</b>	

37 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)
	36.12	21.59

38 Contingent Liabilities	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)
In respect of guarantees executed by Banks against lodgment of counter guarantees of the Company * Provided by way of Margin Money Rs. 18.61 lakhs (Previous Year Rs. 18.61 lakhs)	74.45	74.45
In respect of demands for Excise Duty * * includes: The Company had received for its unit at Mahad show cause notice from:- Dy. Commissioner of Central Excise. Mahad Division issued SCN for producing & clearing both dutiable and non dutiable product under Notification No. 4/1997 Dated 01.03.1997 for Rs. 360.59 lakhs for the period from March 1997 to June 1997. It appears that Appeal of department is set aside by CESTAT and department has filed appeal before Supreme Court in same matter for earlier period. This case was in call book and has been heard now by Commissioner of Central Excise, Raigad on 11.12.2013 and order is awaited.  Joint Commissioner of Central Excise has given notice fir for excess availment of cenvat credit on the supply of pet chips by SOUTH ASIAN PETRO CHEM. against invoices from 16.07.2004 to 14.08.2004. Duty recoverable Rs. 7,18,752/- (duty Rs.704659/- + EC Rs.14093/-). Department has filed Appeal before CESTAT against dropping of Ed Cess of Rs. 14,093/-. Entire duty demanded has been paid on receipt of notice, hence liability is restricted to penalty at Rs.500000/- and ED Cess at Rs.14093/- only.  Asst. Commissioner has issued show cause notice relating to supplementary invoices raised from January 2001 to April 2003 and payment of differential duty by the Company. Demand of Rs. 40,000/- approx raised by the department for delay in payment of differential duty.	367.37	367.37
State Tax Officer, Anti Evasion Bureau, Bhopal has seized the vehicle due to Place of delivery wrongly mentioned in E-Way bill and passed order no.407 dated 14/03/2019 demanding a tax of Rs.62180/- and penalty of Rs.62180/-. The Company has filed an appeal against the said order before Appeal Commissioner of Goods and Service Tax, Bhopal.		

39 Value of imports calculated on CIF basis	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)
Raw Materials	1,718.94	2,595.93

40 Expenditure in foreign currency (accrual basis)	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)
Others	-	9.38

41 Earnings in foreign currency (accrual basis)	2020-21 (Rs. in lakhs)	2019-20 (Rs. in lakhs)
Exports at F.O.B Value - Finished Goods	120.64	121.50

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

Particulars	2020-21		2019-20	
	In Foreign Currency	Rs. in lakhs	In Foreign Currency	Rs. in lakhs
<b>Trade Receivable</b>				
USD	17,852	13.06	-	-
<b>Trade Payable</b>				
USD	1,165,320	515.96	1,116,014	841.14

43 Imported and Indigenous Raw Materials, Components and Spare parts consumed	% of Total Consumption	Value Rs. in lakhs	% of Total Consumption	Value Rs. in lakhs
	<b>Raw Materials</b>			
Imported	27	1,695.44	36	2,948.23
Indigenously obtained	73	4,586.45	64	5,226.47
	100	6,281.89	100	8,174.70
<b>Spare parts &amp; Components</b>				
Imported	-	-	-	-
Indigenously obtained	100	311.75	100	240.18
	100	311.75	100	240.18

44 Purchases are net of incentives received.

45 Related party disclosures				
Name of relative parties and related party relationship				
<b>Key Management Personnel</b>				
Mr.Chand Seth - Chairman & Managing Director				
Mr.Varun Seth - Whole Time Director				
Mr. Ramesh Mehra - Whole Time Director				
<b>Relatives of Key Management personnel and their enterprises where transactions have taken place</b>				
Mrs. Suneeta Seth				
Mr. Amit Seth				
Mr. Udit Seth				
<b>Related parties where control exists</b>				
Pearl Flats India Ltd				
Pacific Pearl Finance & Leasing Ltd				
Pearl Telefonics Ltd ( Formerly Sinclair Exports Ltd)				
Theta Investments Pvt Ltd				

46 Related party transactions				
<b>Key Management Personnel</b>				
<b>Remuneration paid</b>				
Mr Chand Seth		38.54		38.54
Mr Varun Seth		35.86		33.91
Mr Ramesh Mehra		10.44		10.44
<b>Loan taken</b>				
Mr Chand Seth		155.00		55.00
Mr Varun Seth		75.00		275.00
<b>Interest paid</b>				
Mr Chand Seth		20.49		-
Mr Varun Seth		18.21		-
<b>Loan paid</b>				
Mr Chand Seth		17.80		-
Mr Varun Seth		192.02		115.00
<b>Outstanding payable</b>				
Mr Chand Seth		326.37		161.03
Mr. Varun Seth		73.20		161.43
Mr. Ramesh Mehra		7.54		0.79

47 Relatives of Key Management Personnel				
<b>Remuneration paid</b>				
Mr Amit Seth		23.90		23.90
Mr Udit Seth		23.90		23.90
<b>Rent paid</b>				
Theta Investments Pvt Ltd		-		1.73
Mrs Suneeta Seth		14.40		14.40
<b>Outstanding Payable</b>				
Mr. Amit Seth		10.11		1.23
Mr. Udit Seth		10.69		1.23
Mrs Suneeta Seth		9.97		1.08
<b>Related parties where control exists</b>				

<b>Outstanding Receivable</b>				
Theta Investments Pvt Ltd			-	0.10

**48 Gratuity and other post employment benefit plans**

<b>Employees Benefits</b> The Company has adopted Accounting Standard (AS)-15, "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006. The Company has classified various employees benefits as under:				
<b>Defined Contribution Plans</b> The Company has recognized the following amounts in the Profit & Loss Accounts for the year				
I. Employer's Contribution to Provident Fund		35.36		45.27
II. Employer's Contribution to Superannuation Fund		12.93		13.88
III. Employer's Contribution to Employees' Pension Scheme		38.67		40.36
IV. Employer's Contribution to Employees' State Insurance Scheme		11.08		18.25
<b>Defined Benefit Plans</b> Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by independent actuary, as at the Balance Sheet date based on the following assumptions:				
a) Discount Rate (per annum)	7.00%		7.00%	
b) Rate of increase on compensation levels/escalation in salary	5.00%		5.00%	
c) Expected rate of Return on Plan Assets	7.00%		7.00%	
d) Expected Average remaining working lives of employees in number of years	17.5 yrs		17 yrs	
	<b>Gratuity (Funded) 31.03.2021</b>	<b>Leave Encashment 31.03.2021</b>	<b>Gratuity (Funded) 31.03.2020</b>	<b>Leave Encashment 31.03.2020</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
<b>Changes in the Present Value of Obligation</b>				
Present value of Obligation as at 1 <sup>st</sup> April, 2020	300.42	74.72	305.03	79.68
Interest Cost	21.03	5.23	21.35	5.58
Past Service Cost	-	-	-	-
Current Service Cost	17.02	8.49	22.62	13.02
Benefits Paid	(134.11)	(23.04)	(20.70)	(18.59)
Actuarial Loss/(Gain)	6.34	(10.06)	(27.88)	(4.97)
Present value of Obligation as at 31 <sup>st</sup> March, 2021	210.69	55.34	300.42	74.72
<b>Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at 1 <sup>st</sup> April, 2020	32.88	-	29.15	-
Expected Return on Plan Assets	2.30	-	2.04	-
Actuarial Loss/(Gain)	(1.37)	-	(0.73)	-
Employers' Contribution	38.50	-	23.12	-
Benefits Paid	(38.75)	-	(20.70)	-
Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2021	33.56	-	32.88	-
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31<sup>st</sup> March, 2021</b>				
Insurance Policies	33.56	-	32.88	-
<b>Reconciliation of Present Value of Define Benefit Obligation and the fair value of Assets</b>				
Present value of total Obligation as at 31 <sup>st</sup> March, 2021	210.69	55.34	300.42	74.72
Fair Value of Funded Plan Assets as at 31 <sup>st</sup> March, 2021	33.56	-	32.88	-
Present value of Unfunded Obligation as at 31 <sup>st</sup> March, 2021	177.14	55.34	267.54	74.72
Unrecognized past service cost	-	-	-	-
Unrecognized actuarial (Gain)/Losses	-	-	-	-
Unfunded Net Liability recognized in the Balance Sheet	177.14	55.34	267.54	74.72
<b>Expenses recognized in the Profit &amp; Loss Account</b>				
Current Service Cost	17.02	8.49	22.62	13.02
Past service Cost	-	-	-	-
Interest Cost	21.03	5.23	21.35	5.58
Expected Return on Plan Assets	(2.30)	-	(2.04)	-
Total Expenses recognized in profit and loss a/c	35.75	13.72	41.93	18.60
<b>Other comprehensive (income) / expenses (Remeasurement)</b>				
Cumulative unrecognized actuarial (gain)/loss as on 1st April 2020	(32.05)	-	(4.90)	-
Actuarial (gain)/loss - obligation	6.34	-	(27.88)	3.54
Actuarial (gain)/loss - plan assets	1.37	(10.06)	0.73	(8.51)
Total actuarial (Gain)/Loss	7.71	(10.06)	(27.15)	(4.97)
Cumulative total actuarial (gain)/loss as on 31 <sup>st</sup> March 2021	(24.34)		(32.05)	

**49 Details of dues to micro enterprises and small enterprises as defined under The Micro, Small and Medium Enterprises**

Development (MSMED) Act 2006*		March 31, 2021	March 31, 2020
Particulars		Rs. in lakhs	Rs. in lakhs
a.	The principal amount and the interest due thereupon remaining unpaid to any supplier as - Principal amount due to micro and small enterprises - Interest due on above	2.63 0.11	2.97 0.21
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro and Small Enterprise Development Act, 2006, alongwith the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006 by the company in term of Section 16 of Micro, Small	Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.42	0.31
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of Micro and Small Enterprises Development Act, 2006	Nil	Nil

\*This information as required to be disclosed under Micro and Small Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company during the year.

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

51 During the year, Provision for Income Tax has been made on the basis of Income Tax Act, 1961.

52 Disclosure for operating leases under Accounting Standard 19 "Lease". The Company has taken various residential flats/godowns/office premises (including furniture and fittings, there in as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 10 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. No contingent rents are recognized in the P&L Account.

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

For Sehgal Mehta & Co  
CHARTERED ACCOUNTANTS  
(FRN No.003330N)

NARESH KHANNA  
Partner  
Membership No. 081482  
Place: New Delhi  
UDIN:- 21081482AAAAACE9100

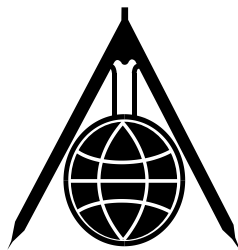
On Behalf of the Board

CHAND SETH  
Chairman & Managing Director  
DIN-00002944

Sanjeev Rikhi  
Chief Financial Officer

VARUN SETH  
Whole Time Director  
DIN-00017552

Vineet Gupta  
Company Secretary  
M.No.47642



**PEARL**

**PEARLPET<sup>®</sup>**

**REGISTERED OFFICE**

Pearl Polymers Limited  
A-97/2, Okhla Industrial Area  
Phase - II, Ne Delhi - 110020  
Phone No. :011-47385300  
Fax No.: 011-47480746