



**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/ 2020

08<sup>th</sup> December, 2020

<p>The Manager, Listing Department National Stock Exchange of India Ltd. Exchange Plaza, 5<sup>th</sup> Floor Plot No. C1, G Block Bandra, Kurla Complex Bandra (East), Mumbai- 400051</p> <p>(Stock Code: PEARLPOLY)</p>	<p>The Manager, Listing Department BSE Ltd. Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai-400001</p> <p>(Stock Code: 523260)</p>
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**Sub: Submission of Annual Report including AGM Notice for the FY 2019-20 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Annual Report for the Financial Year 2019-20 including Notice of the 49<sup>th</sup> AGM of the Company scheduled to be held on Wednesday, December 30, 2020 at 11:00 AM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), in terms of Circular dated May 05, 2020 read with Circular dated April 08, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020.

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>**



## 49th Annual Report 2019-20

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

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

Mr. Chand Seth  
Mr. Varun Seth  
Mr. Ramesh Mehra  
Ms. Meera Johri  
Mr. Ravi Kumar Mehra  
Mr. Ashish Harish Bhuva

Chairperson & Managing Director  
Whole Time Director  
Whole Time Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Dinesh Kumar Tak  
Mr. Sanjeev Rikhi w.e.f. 01.08.2020

**COMPANY SECRETARY**

Ms. Priyanka  
Mr. Vineet Gupta w.e.f. 10.06.2019

**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  
10173/2, Block No. 15, Abdul Aziz Road 13  
W.E. A Karol Bagh, New Delhi - 110005

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice of Annual General Meeting	<b>3 -17</b>
Board's Report and Management's Discussion & Analysis Report	<b>18-41</b>
Corporate Governance Report	<b>42-61</b>
Independent Auditor's Report	<b>62-68</b>
Financial Statements and Notes thereon	<b>69-93</b>

**49<sup>th</sup> AGM**  
**Date** :30.12.2020  
**Day** : Wednesday  
**Through Video Conferencing/  
Other Audio Visual Means**

**WORKS:**

<b>Location(s)</b>	<b>Address</b>
Mahad	B-3/2, M.I.D.C. Industrial Area, Mahad, Distt.-Raigad, Maharashtra- 402309
Jigani	13-A, Part-I, Jigani Industrial Area, Distt. Anekal, Bangalore, Karnataka- 562106
Baddi	Khasra No 512-513, Village Sandholi, P.O. Baddi, Nalagarh, Himachal Pradesh- 173205
Pant Nagar	Plot No 45, Sector-3, Village Kalyanpur, Distt U.S.,Nagar, IIE, Rudrapur, Pant Nagar, Uttaranchal- 263153
Guwahati	Plot No 10, Jagati Logistic, Distt. Kamrup, Village Sindurghopa Guwahati, Assam – 781101

**NOTICE TO MEMBERS**

**NOTICE** is hereby given that the Forty Ninth Annual General Meeting (“AGM”) of the Members of Pearl Polymers Limited will be held on Wednesday, the 30th day of December 2020, at 11.00 A.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, 2020, 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. Re-appointment of Mr. Chand Seth as Chairman & Managing Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special 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, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Chand Seth (DIN:00002944) as Chairman and Managing Director of the Company for a further period of three (3) years w.e.f. April 01, 2020 to March 31, 2023 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. Chand 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. Chand 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** any of the Directors or Company Secretary of the Company be and is hereby 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. Re-appointment of Mr. Ramesh Mehra as Whole Time Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special 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, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Mehra (DIN:00003334) as Whole Time Director of the Company for a further period starting w.e.f. September 01, 2020 to March 31, 2020 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. Ramesh Mehra, 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. Ramesh Mehra, Whole Time Director of the Company, 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.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby 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. 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**

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 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with rules made there under and Schedule I to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to adopt new set of Memorandum of Association in accordance with Table A of Schedule I to the Companies Act, 2013, thereby deleting the reference of the provisions of Companies Act, 1956 which are no longer in force and also by deleting the Clause III(C)-other objects and by merging the relevant sub clauses mentioned under Clause III (C) – ‘Other Objects’ with Clause III (B) – ‘Objects Incidental or Ancillary to the attainment of the Main Objects’ and consequently changing the object numbering as may be appropriate.

**RESOLVED FURTHER THAT** in accordance with the Table A of the Schedule I of the Act, the Clause III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE MAIN OBJECTS.

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to insert new objects to the main objects of the memorandum of association of the Company in addition to the existing ones and also to insert the new matters under Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE MAIN OBJECTS in addition to the existing ones in the object clause of Memorandum.

**RESOLVED FURTHER THAT** any of the Directors or Company Secretary of the Company be and is hereby 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: November 11, 2020

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

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

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 49th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as given in this notice and available at the Company's website [www.pearlpel.net](http://www.pearlpel.net)
2. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. 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.

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 48 hours 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 of the Company 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 CDSL viz. [www.evotingindia.com](http://www.evotingindia.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.

5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting before the AGM or e-voting during the AGM. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email to [csrashmi3011@gmail.com](mailto:csrashmi3011@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/Depository Participants as on 04th December, 2020. Member may note that Notice and Annual Report 2019-20 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 CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. 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)
8. a. The Register of members and share transfer books of the Company will remain closed from **Thursday, December 24, 2020 to Wednesday, December 30, 2020** (both days inclusive) for the purpose of Annual General Meeting.  
b) The remote e-voting period commences on **Sunday, December 27, 2020 (09:00 am) and ends on Tuesday, December 29, 2020 (05:00 pm)**. The remote e-voting module shall be disabled for voting after 5.00 PM on Tuesday, December 29, 2020. No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **December 23, 2020**, may cast their vote by remote e-voting before the AGM.
9. Once the vote on a resolution is cast by the member, he/she/it shall not be allowed to change it subsequently.
10. 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.
11. 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.
12. 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.

13. 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.
14. 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.
15. 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 Registrar of the Company viz MAS Services Limited.
16. All shareholders/members attending AGM through VC or OAVM, who wish to speak or pose questions shall register themselves on or before 25th December, 2020 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.
17. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
18. 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.
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2020 including notice of 49TH AGM is 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/Bank Details in following manner.

Physical Holding	<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>
Demat Holding	Please contact your Depository Participant (DP) and register your email address /bank details as per the process advised by DP.

20. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

#### **21. Process and manner for members opting for voting through Electronic means:**

i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting before the AGM and e-voting during the AGM to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) 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 CDSL.

#### **ii. Only those members, who are present through VC**

### **INSTRUCTION FOR REMOTE E VOTING, E VOTING AT THE AGM AND JOINING OF AGM THROUGH VIDEO CONFERENCING**

(i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.

(ii) Click on “**Shareholders**” module.

(iii) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

**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.**

iii. 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. **December 23, 2020**, 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.

iv. 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 December 23, 2020, 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.

22. In case of any query or grievance pertaining to remote e-voting or voting at the AGM, Members may contact Mr, Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel, East M u m b a i 4 0 0 0 1 3 . E m a i l : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Tel: 1800-225-533. Further, Members may also contact with Mr. Deepanshu Rastogi, Assistant Manager, MAS Services Limited, RTA of the Company at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020, Phone No. 011 26387281/82/83, email:- [info@masserv.com](mailto:info@masserv.com) for any query related to above or attending the AGM through VC/OAVM.



	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email..</li> </ul>
Dividend Bank Details  <b>OR</b>  Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

(vii) After entering these details appropriately, click on **“SUBMIT”** tab.

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

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

(x) Click on the **EVSN 201201020** for the Pearl Polymers Limited.

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

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

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

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

(xv) You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL’s mobile app **“m-Voting”**. The **m-Voting** app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:**

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to [info@masserv.com](mailto:info@masserv.com)
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to [info@masserv.com](mailto:info@masserv.com)

**INSTRUCTIONS FOR JOINING MEETING THROUGH VC:**

(I) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USERID as informed in e-mail..

In the "last name" field - Enter your Name

In the "Email ID" field - Put your email ID

In the "Event password" field - The Event Password is already filled in the Event Password field. However, if the shareholder/member inadvertently reset the password, kindly put the password as "**cdsl@1234**".  
Click join now button.

**Event No. 201201020** will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store.

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:**

1. System requirement:

- ✓ Windows 7, 8 or 10
- ✓ I3
- ✓ Microphone, speaker
- ✓ Internet speed minimum 700 kbps
- ✓ Date and time of computer should be current date and time

**PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:**

- ✓ Please download **Webex application** from play store

**NOTE:** IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

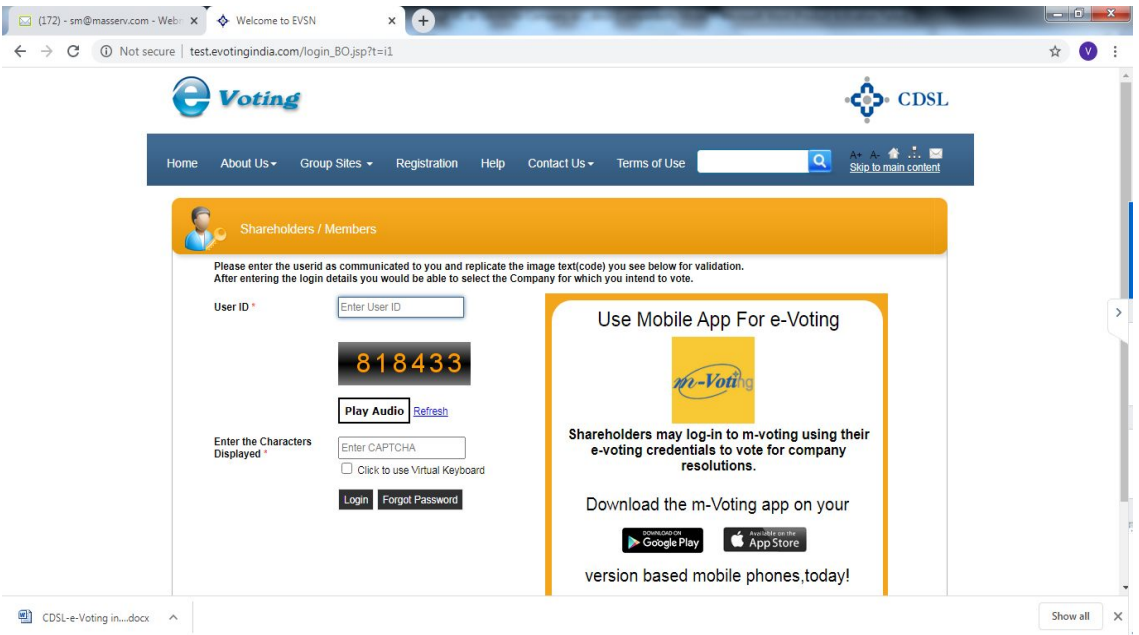
**PROCEDURE FOR E-VOTING AND JOINING OF MEETING THROUGH VC**

**(EXPLAINED USING SCREENSHOTS):**

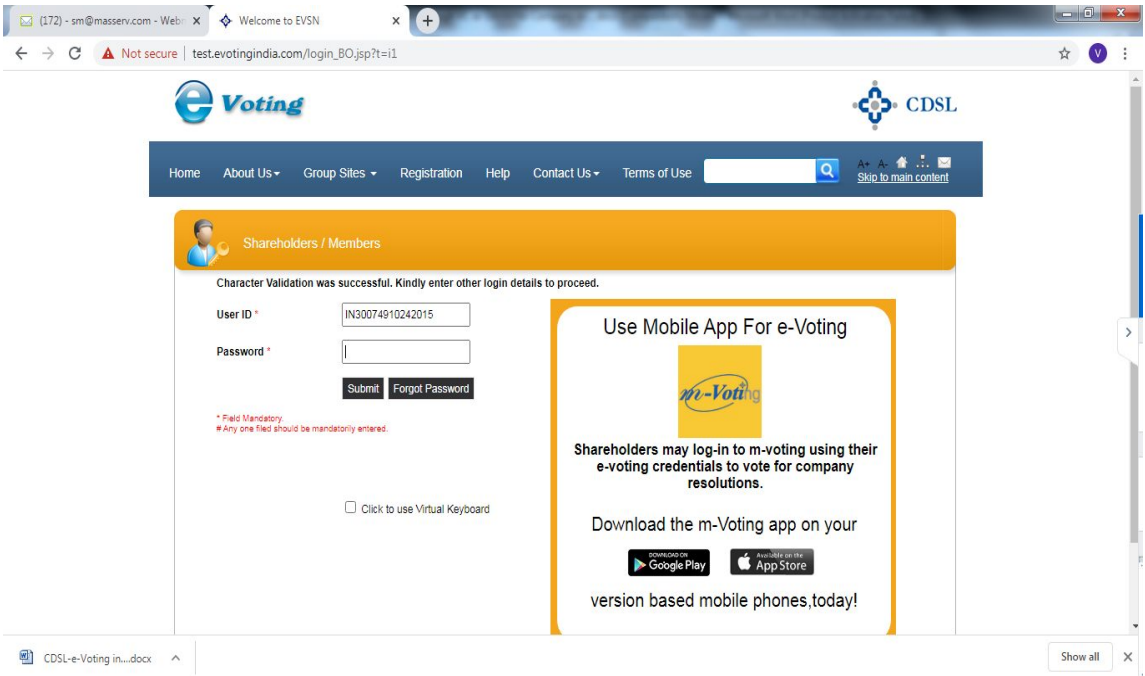
I. The shareholders should log on to the e-voting website <http://www.evotingindia.com/> Below screen will appear.



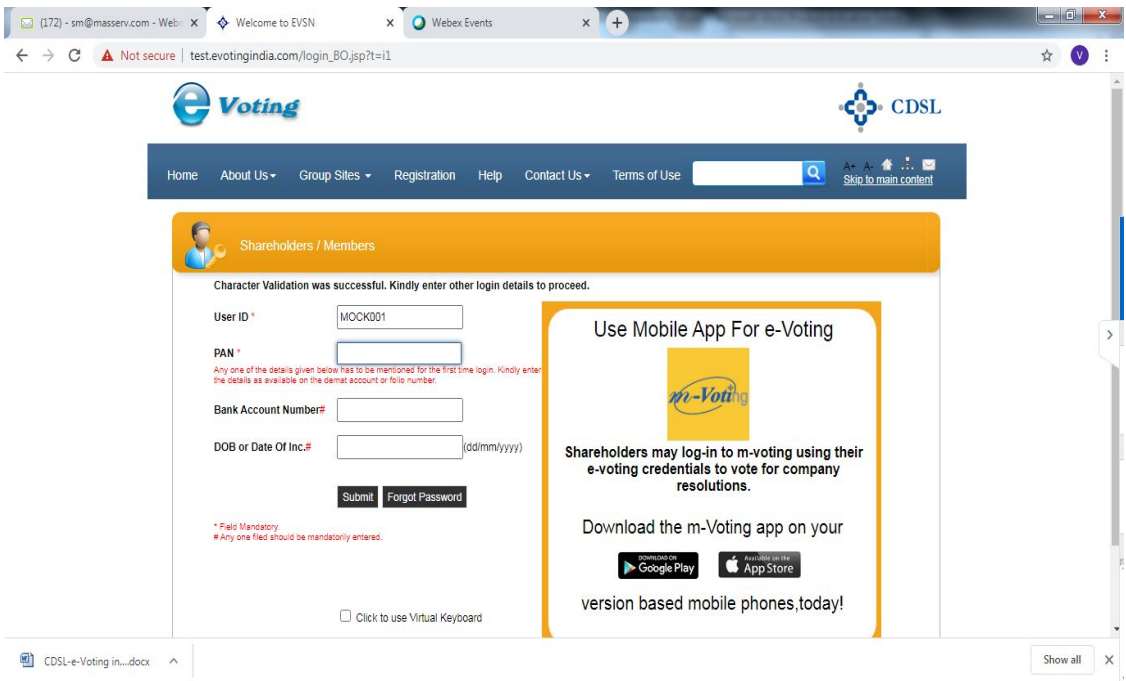
ii. Press Shareholders/Members tab, after which the below screen will be appear.



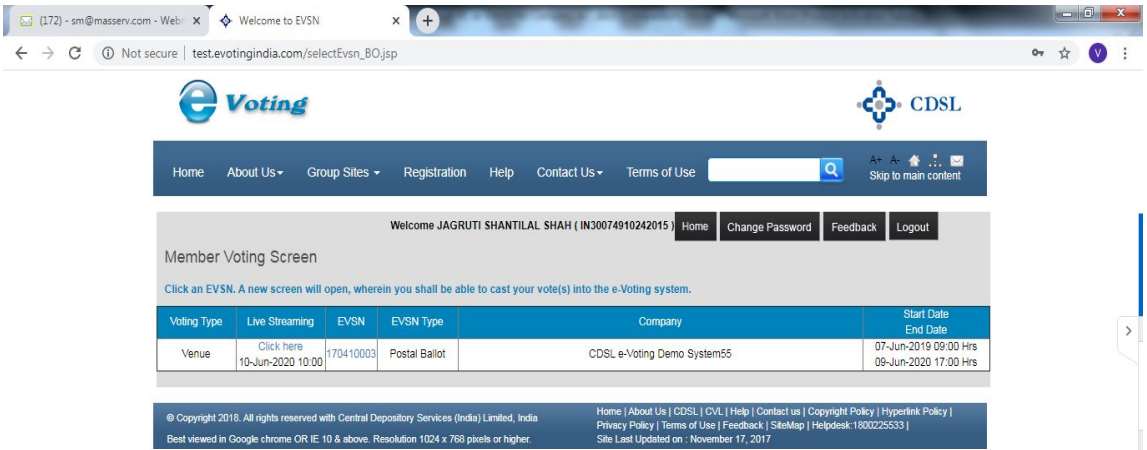
iii. Enter user id as mentioned in your invite email, or read point number (iii) as given above. Since you are a registered user, below screen will be appear. Enter your existing CDSL password in password field.



iv. In case you are 1st time user of CDSL e-voting system, then below screen will be appear.

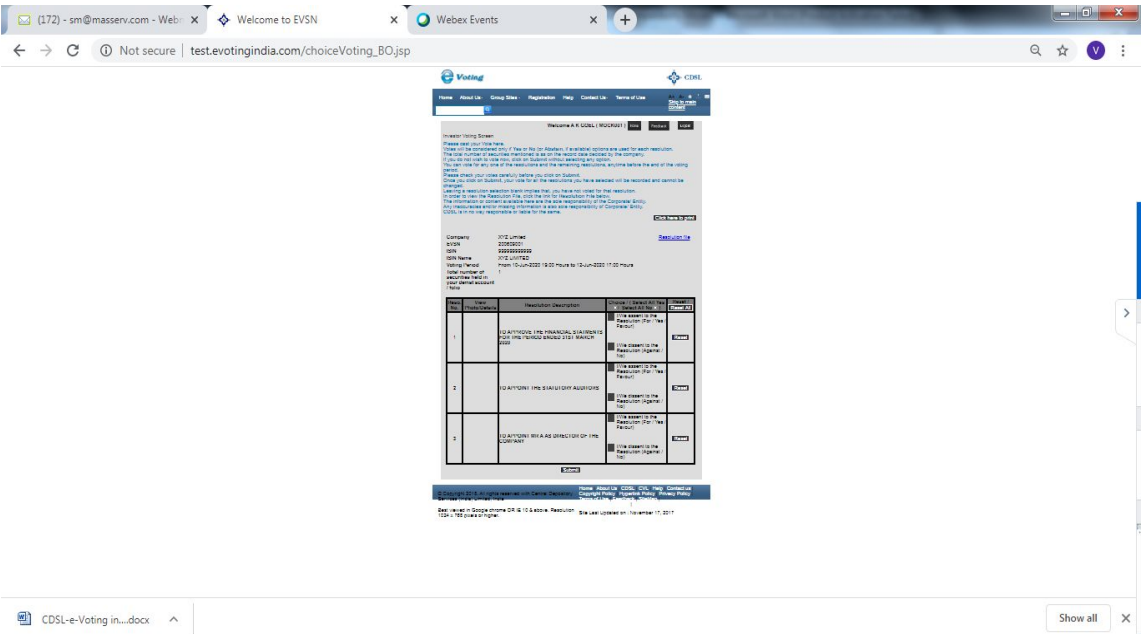


v. Enter your PAN and bank detail/DOB or follow instruction as given point number (vi) above or mentioned in invite email; then below screen will be appear.



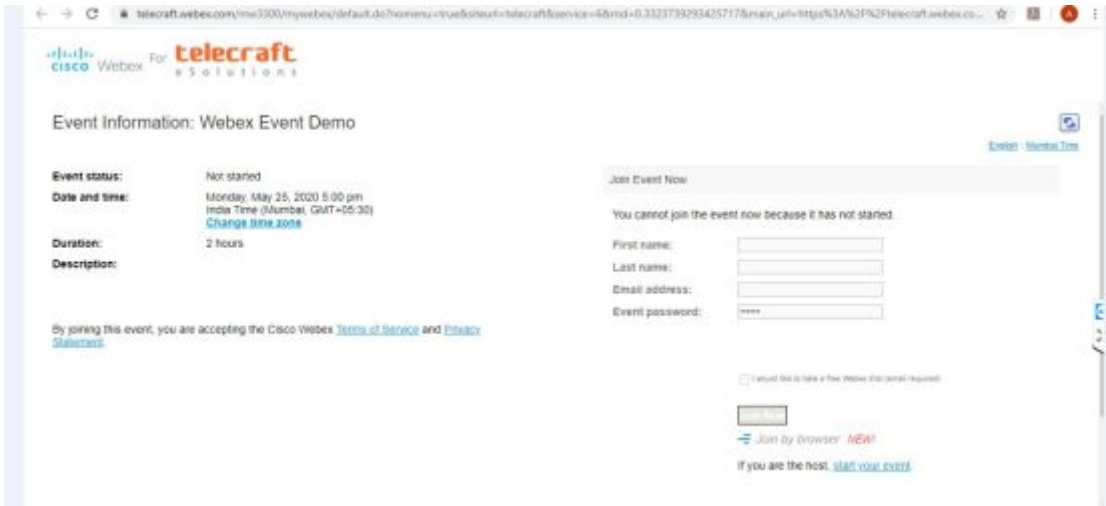
vi. For e-voting, press EVSN number given in EVSN column; and for joining AGM through video conferencing, click on “Click here” tab under the live streaming column.

E-voting screen will be shown as below, where you can cast your vote and press submit button given at the bottom of the screen.





Screen for login into Video Conferencing is shown below:



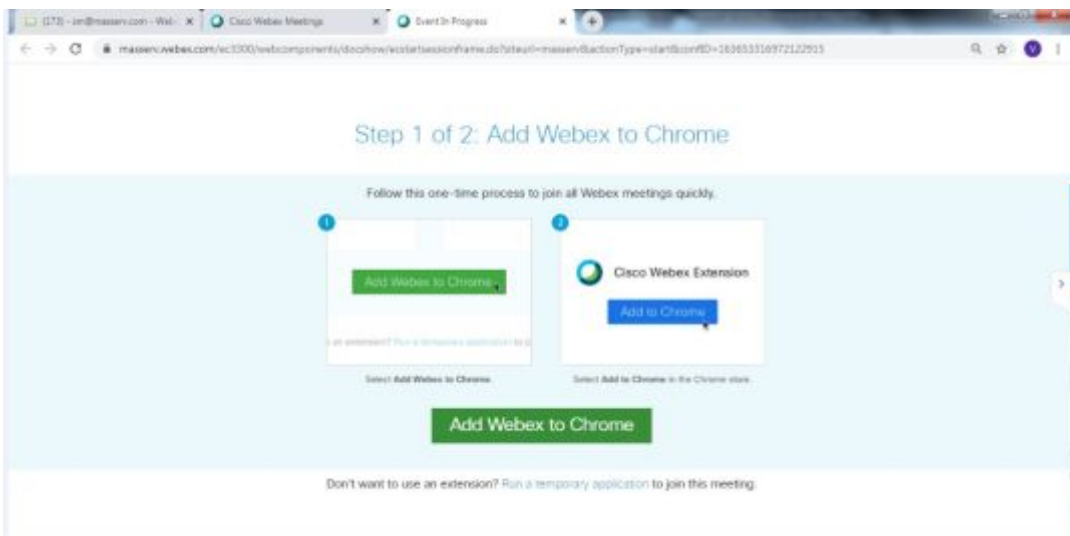
**Fill the details as:**

- In the "Name" field - Enter your USERID as given in email
- In the "last name" field - Enter your Name
- In the "Email ID" field - Put your email ID
- In the "Event password" field - The Event Password is already filled in the Event Password field. However, if the shareholder/member inadvertently reset the password, kindly put the password as "cdsl@1234"

**Click join now button.**

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the **Webex meet app** from the respective play store.

vii. Once you click on 'Join now' tab, the following screen will appear :



viii. Now, Kindly click on 'Run a temporary application', after which a Webex driver will get downloaded. After downloading Webex driver, run the application and you will be directed to the AGM.

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

### **ITEM NO. 3**

Mr. Chand Seth was re-appointed as Chairman and Managing Director of the Company w.e.f. April 01, 2017 for a period of three years by the members of the Company in 46th Annual General Meeting of the Company through special resolution. The said tenure of his re-appointment ended on March 31st, 2020. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and performance evaluation has in its meeting held on February 13, 2020 re-appointed Mr. Chand Seth (DIN: 00002944) as the Chairman & Managing Director of the Company for a further period of three (3) years w.e.f 1st April, 2020 subject to the approval of the members of the Company by Special Resolution in 49th Annual General Meeting.

Mr. Chand Seth has attained the age of 76 years; hence continuation of his employment as Chairman and Managing Director requires the approval of Members by way of a Special Resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the Members by passing a Special Resolution. Further, as the Company has suffered losses in the FY 2019-20, the said re-appointment of Mr. Chand Seth as per the remuneration below also requires the approval of the members of the Company as per the provisions of Companies Act, 2013 as mentioned in the Resolution. Except Mr. Chand Seth and his relatives, none of the Directors or Key Managerial Personnel or their relatives is in any way, concerned or interested in the resolution, except in their capacity as shareholders.

In view of above, it is proposed to seek the Members' approval by way of Special Resolution for the re-appointment of and remuneration payable to Mr. Chand Seth as the Chairman & Managing Director in terms of the applicable provisions of the Companies Act, 2013.

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

#### **A. REMUNERATION**

including Basic salary, House rent allowance, Medical Reimbursement, Leave Travel Concession etc. aggregating to, but not exceeding Rs.4,95,000/- (Rupees Four Lacs Ninety Five Thousand Only) per month.

#### **B. PERQUISITES IN ADDITION TO THE ABOVE**

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. 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.
3. Free use of Company's car with driver for business of the Company.
4. Free telephone and mobile facility at the Company's cost. 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 calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) Mr. Chand Seth shall be entitled to a minimum remuneration as aforesaid or as may be agreed by him not exceeding the aforesaid limits and the permissible perquisites in accordance with schedule V to the Companies Act, 2013.

### **ITEM NO. 4**

Mr. Ramesh Mehra was re-appointed as Whole Time Director of the Company w.e.f. September 01, 2017 for a period of three years by the members of the Company in 46th Annual General Meeting of the Company through ordinary resolution. The said tenure of his re-appointment ends on August 31, 2020. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee and performance evaluation has in its meeting held on August 31, 2020 re-appointed Mr. Ramesh Mehra (DIN: 00003334) as the Whole Time Director of the Company for a period starting from September 01, 2020 and ending on March 31, 2021 subject to the approval of the members of the Company by Special Resolution in 49th Annual General Meeting.

Mr. Ramesh Mehra has attained the age of 71 years; hence continuation of his employment as Whole Time Director requires the approval of Members by way of a Special Resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the Members by passing a Special Resolution. Further, as the Company has suffered losses in the FY 2019-20, the said re-appointment of Mr. Ramesh Mehra as per the remuneration below also requires the approval of the members of the Company as per the provisions of Companies Act, 2013 as mentioned in the Resolution. None of the Directors, Key Managerial Personnel or their relatives except Mr. Ramesh Mehra is in any way, concerned or interested in the resolution, except in their capacity as shareholders.

In view of above, it is proposed to seek the Members' approval by way of Special Resolution for the re-appointment of and remuneration payable to Mr. Ramesh Mehra as the Whole Time Director in terms of the applicable provisions of the Companies Act, 2013.

The terms of re-appointment of and remuneration payable to Mr. Ramesh Mehra are as under:

**A. REMUNERATION** including Basic salary, House rent allowance, Medical Reimbursement, Leave Travel Concession, other perquisites and reimbursement of expenditure on gas, electricity, water, maintenance etc. aggregating to, but not exceeding Rs.1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month.

**B. PERQUISITES IN ADDITION TO THE ABOVE**

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. 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.
3. Free use of Company's car with driver for business of the Company.
4. Free telephone and mobile facility at the Company's cost. 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 calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) 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.1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month and the permissible perquisites in accordance with schedule V to the Companies Act, 2013.

**ADDITIONAL INFORMATION'S AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN BELOW:**

**A. GENERAL INFORMATION:**

- (i) Nature of Industry:** The Company is a leading Manufacturer of PET Jars and Bottles/Rigid Packaging.
- (ii) Expected date of commencement of commercial production:** The Company is an existing Company.
- (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
13953.26	15451.36	(1246.78)	131.90	(1114.88)

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

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

Description	Mr. Chand Seth	Mr. Ramesh Mehra	Mr. Varun Seth
Background details/Qualification	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 50 years in the field of Polymers.	Mr. Ramesh Mehra holds Bachelor degree in Engineering and Law. He has a rich experience of over 42 years in Commercial and Marketing field.	Mr. Varun Seth holds Bachelor degree in Engineering (Industrial Production). He has a rich experience of over 24 years in various fields like marketing, manufacturing etc.
Age	76 years	71 years	47 years
Past remuneration- Approved	Rs. 59.40 Lakhs P. A.	Rs. 18.00 Lakhs P. A.	Rs. 42.00 Lakhs P. A.
Shareholding	1,152,525 Equity Shares	NIL	7,58,311 Equity Shares
Recognition or Awards	The Company won various awards namely World Star Award, Asia Star Award and Johnson & Johnson Worldwide Sustainability Award under their leadership. Mr. Chand Seth had been honored by Lifetime Achievement Award for contribution to innovations and growth of the PET packaging sector in India.		
Job profile and responsibility	He is 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.	He has rich experience in Commercial and Marketing field and has immensely contributed towards achievement of our corporate goals	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.
Remuneration proposed	As provided in the resolution However, the Remuneration proposed is the maximum amount, the Company can pay to the appointees and is not the actual amount the appointees are withdrawing as of now. They are withdrawing the remuneration at lesser rates.		Not Applicable
Comparative 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 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	Mr. Chand Seth is one of the Promoters of the Company. He is related to Mr. Varun Seth; Whole time Director of the Company.	Besides the remuneration paid to Mr. Ramesh Mehra as Director, does not hold any other pecuniary relationship with the Company and not related with any KMP.	Mr. Varun Seth is one of the persons forming part of Promoter Group. He is related to Mr. Chand Seth, Chairman & Managing Director of the Company.
Outside Directorships	I. Pearl Telephonics Ltd II. Theta Investment Pvt. Ltd III. Pacific Pearl Finance & Leasing Private Ltd IV. Indo Nippon Chemical Co. Ltd (All are unlisted)	(i) Pearl Engineering Polymers Ltd (ii) Pearl Apartments Ltd (Listed) (iii) Amit Apartments Ltd (iv) Speedshore Trading Company Pvt Ltd	I. Pacific Pearl Finance & Leasing Private Ltd II. Theta Investment Pvt. Ltd (All are unlisted)

**C. OTHER INFORMATION:**

- I. Reasons of Losses:** The operations of the company during the year were adversely impacted due to the declining and subdued sales. Further, cut throat competition by local players in the market has led to lower turnover. The detailed reason is given in the Board Report and Management Discussion and Analysis Report.
- II. Steps taken or proposed to be taken for Improvement:** The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production.
- 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.
- D. Disclosures:** The information and disclosures of the remuneration package and committee position held by the managerial personnel have been provided in the Corporate Governance Report.

**ITEM NO. 5**

The Existing set of Memorandum of Association of the Company is based on erstwhile Companies Act, 1956 which is no longer in force. In view of this, the Company needs to adopt the new set of Memorandum of Association in accordance with Table A of Schedule I to the Companies Act, 2013 thereby deleting the reference of the provisions of Companies Act, 1956 which are no longer in force and also by deleting the Clause III(C)-other objects and by merging the relevant sub clauses under other objects to the Clause III (B) 'Objects Incidental or Ancillary to the attainment of the Main Objects' and renaming the Clause III (B) as MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE MAIN OBJECTS.

Further, in order to widen the scope of business of the Company, if required in future, it is proposed to insert new objects to the main objects of the memorandum of association of the Company in addition to the existing ones and also to insert the new matters accordingly under Clause III (B).

By virtue of Section 13 of the Companies Act, 2013 read rules made thereunder; the approval of members by way of special resolution is a prerequisite to amend the object clause of the Company. The Board has in its meeting held on February 13, 2020 approved the proposed alteration subject to the approval of the members of the Company by Special Resolution in 49th AGM of the Company and therefore, recommends the Special Resolution for the approval of the Members of the Company for giving effect to such amendments in the Memorandum of Association of the Company.

None of the Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

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

Place: New Delhi  
Date: November 11, 2020

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

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



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

Your Directors are pleased to present the 49th Annual Report of Pearl Polymers Limited ("the Company") for the financial year ended March 31, 2020.

**FINANCIAL SUMMARY**

The Company's financial performance for the financial year ended March 31, 2020 in comparison to previous financial year is summarized below:

(Rs. in Lakhs)

Particulars	2019-20	2018-19
Total Revenue	14,204.58	18,092.22
Total expenses	15,451.36	18,723.56
Profit/(loss) before exceptional items and tax	(1,246.78)	(631.34)
Less: Tax Expenses	(131.90)	(144.90)
Profit/Loss after tax	(1,114.88)	(486.44)

**RESERVES**

The Reserves and Surplus (excluding Revaluation Reserve) of the Company as on March 31, 2020 stood at Rs. 1,675.96 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 2019-20.

**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 14,204.58 Lakhs as against Rs. 18,092.22 Lakhs in the relevant previous financial year. The Company has suffered operating loss of Rs. 1,246.78 Lakhs as compared to Rs. 631.34 Lakhs in the previous year and recorded net loss of Rs. 1,114.88 Lakhs as compared to loss of Rs. 486.44 Lakhs in the previous year due to adverse market conditions at National and International Level, outbreak of COVID 19 and consequential lockdown in the month of march and stiff

competition from un-organized sector and local players 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**

There have been no material changes and commitments affecting the Financial Position of the Company, which have occurred between the end of Financial Year ended on March 31, 2020 and the date of this report.

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

We are indeed living through unusual times. Countries across the globe continue to face multitude of challenges in the form of Covid-19 health crisis that contributed to an economic slowdown. The novel coronavirus or Covid-19 has brought unprecedented impact on the people and economies across the world. It has created uncertainties in business ecosystem by disrupting supply chains. As per the Government's directives and subsequent lockdown, our manufacturing operations faced temporary closure and the Company witnessed weakened sales in the month of March 2020.

At Pearl Polymers Limited, we responded to these headwinds by being well-prepared through our strong core competencies and resilient business model. The Company implemented adequate steps to protect employees and its immediate communities. Though we faced temporary disruption in our manufacturing operations, we tried our best to ensure uninterrupted services for our customers by enabling seamless 'work from home' facility.

The Company being in the packaging industry has tried to increase its revenue by supplying 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. But the question that comes to the mind of every businessman is "**Will it ever be like before?**" 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**

#### **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) Re-appointment of Mr. Chand Seth as Chairman and Managing Director of the Company**

Mr. Chand Seth was re-appointed as Chairman and Managing Director of the Company w.e.f. April 01, 2017 for a period of three years. The said tenure of his re-appointment has ended on March 31st, 2020. Further, as Mr. Chand Seth has attained the age of 76 years, it is mandatory as per section 196 of the Companies Act, 2013 to get his re-appointment approved by the members of the Company by passing the Special Resolution and also to approve his remuneration in view of losses. Accordingly, on the basis of recommendation of Nomination and Remuneration Committee and the performance evaluation, the Board of Directors of the

Company in its meeting dated February 13, 2020 has subject to the approval of the members by Special Resolution at the ensuing Annual General Meeting approved the re-appointment of Mr. Chand Seth as Chairman & Managing Director for further period of 3 years w.e.f. 01st April, 2020. Accordingly, it is proposed to re-appoint Mr. Chand Seth for such further term and on such terms & conditions as are specified in the Notice calling 49th Annual General Meeting of the Company.

#### c) Re-appointment of Mr. Ramesh Mehra as Whole Time Director of the Company

The Shareholders of the Company had in their meeting held on September 29, 2017, re-appointed Mr. Ramesh Mehra as the Whole Time Director of the Company for a period of 3 (three years) w.e.f. September 01, 2017. Accordingly, the said tenure of his re-appointment has ended on August 31, 2020. As, Mr. Ramesh Mehra has attained the age of 71 years, it is mandatory as per section 196 of the Companies Act, 2013 to get his re-appointment approved by the members of the Company by passing the Special Resolution and also to approve his remuneration in view of losses. Accordingly, on the basis of recommendation of Nomination and Remuneration Committee and the performance evaluation, the Board of Directors of the Company in its meeting dated August 31, 2020 has subject to the approval of the members by Special Resolution at the ensuing Annual General Meeting approved the re-appointment of Mr. Ramesh Mehra for such further term and on such terms & conditions as are specified in the Notice calling 49th Annual General Meeting of the Company.

#### d) Number of meetings of the Board of Directors

The Board of Directors of the Company, met Six (6) times during the financial year 2019-20.

15 <sup>th</sup> May, 2019	Board Meetings	14 <sup>th</sup> August, 2019
10 <sup>th</sup> June, 2019		14 <sup>th</sup> November, 2019
23 <sup>rd</sup> July, 2019		13 <sup>th</sup> February, 2020

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

There was no change in the composition of the Board of Directors of the Company during the financial year 2019-20.

#### e) Changes in Key Managerial Personnel

During the year, Ms. Priyanka has resigned from the Company as Company Secretary & Compliance Officer of the Company and the Board has appointed Mr. Vineet Gupta as the Company Secretary & Compliance Officer of the Company w.e.f. 10th June, 2019.

#### f) Declaration by Independent Directors

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 in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 is yet to be given by the Independent Directors.

#### g) Board Evaluation

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

The evaluation framework for assessing the performance of Directors was on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The Nomination and Remuneration Committee had evaluated the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. A member of the Board does 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.

#### **h) 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/selection of Directors, Key Managerial Personnel & other employees, board diversity and their remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. Your Company affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. The details of such policy can be viewed on the Company's website [www.pearlpet.net](http://www.pearlpet.net).

#### **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. The Policy is available on the Company's website at [www.pearlpet.net](http://www.pearlpet.net). 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**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has put in place the Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons and immediate relatives of Designated Persons in line with SEBI (PIT) Regulations as amended from time to time. 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 adopted 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.pearlpet.net](http://www.pearlpet.net).

During FY 2019-20, 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**

The Company has put in place 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 already constituted the Internal Complaints Committee at different levels. 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 2019-20.

#### **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. 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, 2020 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 46th 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.

### b) Secretarial Auditor

Your Company has appointed Ms. Rashmi Sahni, (Certificate of Practice No. 10493) Practising Company Secretary, as the Secretarial Auditor to conduct an audit of the Secretarial records for the financial year 2019-20.

## Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made:

### I. Statutory Auditor's Report

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, in their report. There are no frauds reported in the reports of the Auditors as mentioned under sub-section (12) of Section 143 of the Act.

### II. Secretarial Auditor's Report

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimer. A Report of Secretarial Audit is provided in Annexure-'III' to this report.

### c) Internal Auditor

Nikhil Goel & Associates (Firm Registration No. 020934C) Chartered Accountants, has been appointed as an Internal Auditor of the Company to conduct an internal audit of the functions and activities of the Company for financial year 2019-20, in terms of Section 138 of the Companies Act, 2013.

### 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.

### e) 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.

### f) 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 is 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 and approval 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 extract of Annual Return in form MGT-9 is attached as Annexure-'IV' to this report and also placed on the website of the Company at [www.pearlpet.net](http://www.pearlpet.net).

## CORPORATE GOVERNANCE REPORT

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

## 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

Sd/-

**Chand Seth**

**Place: New Delhi Chairman & Managing Director**

**Date: November 11, 2020**

**DIN: 00002944**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian plastics industry made a promising beginning in 1957 thereafter, significant progress has been made, and the industry has grown and diversified rapidly. The industry spans the country and employs about 4 million people and comprises more than 30,000 processing units, 85-90 percent of which are small and medium-sized enterprises.

The Indian plastics industry offers excellent potential in terms of capacity, infrastructure and skilled manpower. It is supported by a large number of polymer producers, and plastic process machinery and mould manufacturers in the country.

The Covid pandemic has put focus on value packaging to consumers' everyday life – from special focus on the hygiene and portion control and reinforced our belief that there will always be a growing role for packaging. For last several decades we have been a packaging partner to some of the India's leading brands with focus on FMCG and pharmaceutical rigid plastic packaging.

Consumers increasing demand for more sustainable packaged products will continue to shape the industry and the answer is responsible packaging that offers differentiated functionality while minimizing waste in the environment. The environmental impact of traditional resins remains under close scrutiny, leading many manufacturers to reconsider their approach to selecting materials. Bio resins are gaining traction as alternatives since they're all based on natural plant and vegetable extracts or renewable resources, which aid in green practices through benefits such as safer disposal, energy-efficient manufacturing and decreased toxic emissions. We also working for our packaging to be recyclable or reusable to significantly increase our use of recycled materials and to help drive greater recycling of packaging in India.

Further, the Indian economy displayed positive growth trend over the past few years on the back of various Government initiatives and reforms. The growth outlook was optimistic prior to the unexpected Coronavirus (COVID-19) outbreak. However, owing to the massive impact of COVID-19, almost all the major economies of the world have gone through some form of lockdown or social distancing. The lockdown in India disrupted the economic activities in the fourth quarter of the financial year. Indian economy grew by 4.2% in the FY 2019-20 as compared to 6.8% in FY 2018-19.

### RECENT DEVELOPMENT

With advancement in technology and general awareness, the packaging sector in India is well poised as most of the raw materials for packaging 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 such as aseptic packaging, retort packaging and biodegradable packaging to enhance the life of food product.

In terms of packaging, the food packaging industry is one growth area that has seen the maximum number of innovations in terms of packaging and branding. Consumers want their food 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. Likewise, local manufacturers are now importing state-of-the-art machinery to ensure that the packaging is of the highest standards.

The rapid growth of the market is primarily driven by the pharmaceuticals and foods and beverages industries. Huge investments in the food processing, personal care, and pharmaceuticals end-user industries are creating scope for expansion of the packaging market.

The industries where plastic bottles and jars are mostly used in the country include food and beverage, cosmetics and personal care, and pharmaceutical industries. Polyethylene terephthalate (PET) and HDPE are the preferred materials for manufacturing bottles and jars in India. There are some applications where PVC is still being used to manufacture bottles, jars, and vials. However, due to the increasing environmental concerns, the manufacturers are trying to shift to PET and HDPE. With the recent outbreak of COVID 19, the packaging manufacturers are facing supply chain disruption along with decreasing manufacturing at the site in many parts of the world. To ensure the smooth flow of supply chain, Global Food Safety Initiative (GFSI) certification programs are providing six-month certificate extensions by conducting a remote audit and risk assessment pertaining to COVID-19 such that the company can approve a new supplier location without an on-site audit to meet the demand.

## OPPORTUNITIES AND THREATS

The rigid packaging segment led the packaging market in India in 2019.

The global rigid plastic packaging market size was valued at \$216,850.0 million in 2018, and is projected to reach \$340,434.7 million by 2026, growing at a CAGR of 5.6% from 2019 to 2026. The rigid plastic packaging involves utilization of plastic materials for packaging purposes. Plastic packaging is used in end-user industries such as food & beverages, personal care, household, healthcare, and others.

Improvement in recycle rates for packaging globally drives the rigid plastic packaging market growth. Recycling reduces the consumption of raw materials, which lowers water and air pollution. Thus, help in

reducing greenhouse gases. Reuse and recycle of packaging materials has gained significant attention globally over the last few years. Moreover, rise in global consumption of consumer goods fuels the demand for rigid plastic packaging.

In terms of India's beverage packaging, materials such as glass and rigid plastics account for 70% of the total packaging market. PET is the material most used to package water, accounting for around 55% of India's packaged water sector.

Projected to reach a CAGR of 4.17% to \$142.2bn by 2023, it is predicted that the nation will see continued demand for PET bottles, along with a new demand for liquid packaging cartons due to their longer shelf life and ease in transportation. The global packaging market size during the COVID-19 pandemic is projected to grow from USD 909.2 billion in 2019 to USD 1,012.6 billion by 2021.

However, despite having a good growth potential, the rigid plastic packaging industry faces many threats and its growth is restrained by many factors such as increasing adoption of flexible packaging materials, fluctuating raw material prices and stringent regulations. 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.

Due to growth of the Indian flexible packaging market because of their increased use at food service outlets, along with higher demand for packaged beverages. Consumers prefer flexible packaging over rigid packaging since they are lighter, easily disposable, and their impact on the environment is significantly less.

To overcome these challenges, significant efforts will have to be made by all the stakeholders to realize the real potential of this industry.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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. As on 31st March, 2020, there were 416 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 2019-20	FY 2018-20
Debtors Turnover (in times)	3.77	3.91
Inventory Turnover (in times)	4.09	5.02
Interest Coverage Ratio (in times)	-1.98	-0.28
Current Ratio (in times)	0.91	1.03
Debt Equity Ratio (in times)	0.76	0.77
Operating Profit Margin (%)	38.19	37.36
Net Profit Margin (%)	-7.85	-2.69
Return on Net Worth (%)	-28.49	-9.39

**Notes:**

- i. The more than 25% change in Interest Coverage Ratio as compared to last Financial Year is due to change in EBITDA.
- ii. The more than 25% change in Net Profit Margin as compared to last Financial Year is due to increase in operational Loss.
- iii. The more than 25% change in Return on Net worth as compared to last Financial Year is due to increase in Operational Loss.

**SEGMENT-WISE PERFORMANCE**

Your Company is 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**

India rigid plastic packaging market is projected to reach \$ 14.4 billion by 2024. Anticipated growth in the market can be attributed to robust growth in food and beverages industry which is the major end user of rigid plastic packaging. To ensure safety and longer shelf life of food, demand for rigid plastic packaging is high in F&B sector. Additionally, healthcare industry, which is another major end user of rigid plastic packaging, also registered robust growth in the last decade owing to increasing spending on healthcare. Rigid plastic packaging is gaining traction in healthcare sector owing to its properties such as moisture resistance, tamper proof caps, light and chemical resistance, among others. Moreover, expansion of automobile lubricant industry is further expected to positively influence India rigid plastic packaging market during forecast period.

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

The Company has in place adequate internal financial controls with reference to financial statements. 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 firm that conducts regular audits to ensure adequacy of internal financial control system, adherence to Company policies and compliance.

**ANNEXURE-'I'**
**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 2019-2020:

Median remuneration of all the employees of the Company for the Financial year 2019-20	Rs. 2,50,099/-
The number of permanent employees on the rolls of Company as on March 31, 2020	416

Name of the Director	Designation	Ratio of remuneration of Directors to Median remuneration of all Employees
Mr. Chand Seth	Chairman & Managing Director	15.41
Mr. Varun Seth	Whole Time Director	13.60
Mr. Ramesh Mehra	Whole Time Director	4.17
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.

**Percentage increase in remuneration of each Director on the Board, CFO and CS during the Financial Year 2019-2020**

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. Dinesh Kumar Tak	Chief Financial Officer	NA
Mr. Vineet Gupta	Company Secretary	NA

- 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 2018-19.
- 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. Median Remuneration is calculated after taking into consideration all the components of salaries and perquisites of all the employees as per the Actual Cost to the Company.
- v. The Employees who have left during the year are not taken into consideration for calculating the median remuneration of all the employees.
- vi. The Employees who have joined the Company during the year at any point of time and continued to be employed till 31st March are taken into consideration for calculating the median remuneration of all the employees.
- vii. As Mr. Vineet Gupta, the Company Secretary of the Company has joined the Company w.e.f 10th June, 2019; the remuneration paid to him is not comparable.

**Percentage increase in the Median Remuneration of Employees in the Financial Year 2019- 2020:**

2019-2020	2018-2019	Increase %
250099	226228	10.55

- 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.
- 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. However, during the year there was no percentage increase in the salary of any Managerial Personnel 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.



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

Energy conservation continues to be the key focus area of your Company. The Company is making continuous effort for energy conservation. Effective measures have been taken to monitor consumption of energy during the process of manufacture. Continuous monitoring and awareness amongst employees has helped to avoid wastage of energy. The Company has continued taking following steps for conservation of energy during FY 2019-20

- i. High capacity pumps used for circulation of cold water through all machines and equipments are one of the most power consuming apparatus in our industry. The Company is considering changing these pumps by state of the art, energy efficient pumps, to save approx 20 to 25 % power without deteriorating desired flow requirements.
- ii. To achieve an average power factor of 0.99, Automatic Power Factor Control panels are being installed at all factories. Apart from this, measures are also been taken to minimize harmonics generation in plant power circuit.
- iii. Continuously we undertake necessary activities to educate and encourage employees to establish energy efficient practices.
- iv. 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;**

Your Company has already started buying electrical power from power exchange (Solar and wind power) for its plants.

**III. The capital investment on energy conservation equipments;**

Your Company has already invested significant amount of funds in creating infrastructure for buying power from power exchange. Your Company also incur significant amount on modernization of machine and utility equipments as and when required.

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

Your Company lays considerable emphasis on quality maintenance and product enhancement. The Company is continuously trying to develop more and more products in its R & D Center which will promote the usage of plastic packing in various fields for which presently Glass / Metal are being used.

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. 121.50 Lakhs, import payments of Rs. 2595.93 Lakhs and expenditure in foreign currency of Rs. 9.38 Lakhs, details of which have been incorporated in the Notes to financial statements.

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2020**

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

**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 other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to Management Representation Letter, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020, 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, 2020 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)**

The Company has identified and confirmed the following laws also specifically applicable to the Company and/or followed by the Company:

- (i) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (ii) The Employment Exchange (CNV) Act, 1959 & Rules,
- (iii) The Payment of Bonus Act, 1965
- (iv) The Payment of Gratuity Act, 1972
- (v) The Employees State Insurance Act, 1948,
- (vi) Labour Welfare Fund Act
- (vii) Contract Labour (R&A) Act, 1970
- (viii) Packaged Commodity Rules, 1977
- (ix) Air (Prevention and control of pollution) Act, 1981
- (x) Water (Prevention and control of pollution) Act, 1974
- (xi) Environment protection Act, 1986
- (xii) Factories Act, 1948
- (xiii) Minimum Wages Act, 1948
- (xiv) The Legal Metrology Act, 2009
- (xv) Trade Mark Act, 1999
- (xvi) Design Act, 2000
- (xvii) Equal Remuneration Act, 1976

I have also examined compliance with the applicable clauses of the following:

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- (ii) Listing Agreements entered into by the Company with National Stock Exchange of India Limited (Scrip Code: PEARLPOLY) and the Bombay Stock Exchange (Scrip Code: 523260).  
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 at least seven days in advance, 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that 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:07.11.2020  
UDIN: A025681B001178470

Sd/-  
Rashmi Sahni  
Practicing Company Secretary  
ACS No. 25681  
C P No.: 10493

**Annexure "A"**

To,

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, and regulations, standards is the applicability of management. Our examination was limited to the verification of procedures on test basis.
6. 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:07. 11. 2020  
UDIN: A025681B001178470

Sd/-  
Rashmi Sahni  
Practicing Company Secretary  
ACS No. 25681  
C P No.: 10493

**Form No. MGT-9**
**Extract of Annual Return for the financial year ended on March 31, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

Sl No.	Particulars	Details
1	CIN	L25209DL1971PLC005535
2	Registration Date	12.02.1971
3	Name of the Company	Pearl Polymers Limited
4	Category/Sub-category of the Company	Public Listed Company having Share Capital
5	Address of the Registered office & contact details	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110 020 Phone: 011-47385300
6	Whether Listed Company	Yes
7	Name, Address and contact details of the Registrar & Transfer Agent	MAS SERVICES LIMITED T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi -110020 Ph: 011-26387281/82/83 Fax: 011-26387384 Email: <a href="mailto:info@masserv.com">info@masserv.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company:

S. No.	Name & Description of Main products/services	NIC Code of the product/ service	% total turnover of the company
1	PET/PP Jars, Bottles etc	22203	98.23

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:** Not Applicable

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :**

**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the Beginning of the year [As on April 01 , 2019]				No. of Shares held at the End of the year [As on March 31, 2020]				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3284727	41950	3326677	19.76	3578377	0	3578377	21.26	1.50
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	5782113	0	5782113	34.35	5782113	0	5782113	34.35	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
Sub Total (A)(1):	9066840	41950	9108790	54.11	9360490	0	9360490	55.61	1.50
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/ FI	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoter (A)= (A)(1)+ (A)(2)	9066840	41950	9108790	54.11	9360490	0	9360490	55.61	1.50
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	0	5410	5410	0.03	0	5410	5410	0.03	0.00
b) Banks / FI	300	160	460	0.00	300	160	460	0.00	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	451422	0	451422	2.68	400922	0	400922	2.38	(0.30)
g) FIs	0	8700	8700	0.05	0	8700	8700	0.05	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	451722	14270	465992	2.76	401222	14270	415492	2.46	(0.30)
2) Non-Institutions									
a) Bodies Corporate									
i) Indian	921298	22351	943649	5.61	983778	15351	999129	5.94	0.33
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									



**PEARL Polymers Limited**

i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	2028918	741691	2770609	16.45	1774405	732777	2507182	14.89	(1.57)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3230685	52600	3283285	19.50	3521003	0	3521003	20.92	1.42
c) Others (specify)	0	0	0	0	0	0	0	0	
Non Resident Indians/ Overseas Corporate Bodies	17847	203600	221447	1.32	16547	4500	21047	0.13	(1.19)
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
NBFCs registered with RBI	1145	0	1145	0.01	0	0	0	0	(0.01)
Clearing Members	40015	0	40015	0.24	10589	0	10589	0.06	(0.18)
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2):-	6239908	1020242	7260150	43.13	6306322	752628	7058950	41.94	(1.20)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6691630	1034512	7726142	45.89	6707544	766898	7474442	44.40	(1.50)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	15758470	1076462	16834932	100.00	16068034	766898	16834932	100.00	0.00

**b) Shareholding of Promoter (including Promoter Group)**

Sl No.	Shareholder's Name	No. of Shares held						% change in shareholding during the year
		Beginning of the year [April 01, 2019]			End of the year [March 31, 2020]			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ms. Suneeta Seth	654939	3.89	0	204939	1.22	0	(2.67)
2	Mr. Chand Seth	890475	5.29	0	1152525	6.85	0	1.56
3	Ms. Nidhi Choudhary	100350	0.60	0	90000	0.53	0	(0.07)
4	Mr. Varun Seth	608311	3.61	0	758311	4.50	0	0.89
5	Mr. Amit Seth	572533	3.40	0	722533	4.29	0	0.89
6	Mr. Udit Seth	500069	2.97	0	650069	3.86	0	0.89
7	Pacific Pearl Finance & Leasing Ltd	1236001	7.34	0	1236001	7.34	0	0.00
8	Pearl Telefonics Ltd	2328257	13.83	0	2328257	13.83	0	0.00
9	Theta Investments Pvt Ltd	2063855	12.26	0	2063855	12.26	0	0.00
10	Pearl Flats (India) LLP (formerly known as Pearl Flats (India) Ltd.)	154000	0.91	0	154000	0.91	0	0.00

**c) Change In Promoter's Shareholding**

Particulars of Shareholding	Shareholding at the beginning of the Year [April 01, 2019]		Cumulative Shareholding during the year [April 01, 2019 to March 31, 2020]	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1. Mr. Chand Seth</b>				
At the beginning of the year	890475	5.29		
Shares acquired by way of gift on 01.04.2019	262050	1.56	1152525	6.85
At the end of year			1152525	6.85
<b>2. Mrs. Suneeta Seth</b>				
At the beginning of the year	654939	3.89		
Shares transferred by way of gift on 19.06.2019	(450000)	(2.67)	204939	1.22
At the end of year			204939	1.22
<b>3. Mr. Varun Seth</b>				
At the beginning of the year	608311	3.61		
Shares acquired by way of gift on 19.06.2019	150000	0.89	758311	4.50
At the end of year			758311	4.50
<b>4. Mr. Amit Seth</b>				
At the beginning of the year	572533	3.40		
Shares acquired by way of gift on 19.06.2019	150000	0.89	722533	4.29
At the end of year			722533	4.29
<b>5. Mr. Udit Seth</b>				
At the beginning of the year	500069	2.97		
Shares acquired by way of gift on 19.06.2019	150000	0.89	650069	3.86
At the end of year			650069	3.86

**d) Shareholding Pattern of top 10 Shareholders (Other than Directors, Promoters and Holders of DRs & ADRs)**

Sl No.	Shareholder's Name	Shareholding at the Beginning of the Year [April 01, 2019]		Cumulative Shareholding during the year [April 01, 2019 to March 31, 2020]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Chainroop Dugar				
	At the beginning of the year	829450	4.93		
	Date-wise Increase/decrease			829450	4.93
	At the end of the year			829450	4.93

**PEARL Polymers Limited**

2	Mr. Dheeraj Kumar Lohia				
	At the beginning of the year	468189	2.78		
	Date-wise Increase/decrease				
	24.05.2019-Purchase	1320	0.01	469509	2.79
	At the end of the year			469509	2.79
3	Mr. Rajendra Madanmal Mehta				
	At the beginning of the year	143089	0.85		
	Date-wise Increase/decrease				
	19.04.2019-Purchase	500	0.00	143589	0.85
	03.05.2019-Purchase	20000	0.12	163589	0.97
	17.05.2019-Purchase	1000	0.01	164589	0.98
	31.05.2019-Sale	(6500)	(0.04)	158089	0.94
	07.06.2019-Purchase	24711	0.15	182800	1.09
	14.06.2019-Purchase	30500	0.18	213300	1.27
	21.06.2019-Purchase	29760	0.18	243060	1.44
	28.06.2019-Purchase	29500	0.18	272560	1.62
	09.08.2019-Purchase	1000	0.01	273560	1.62
	16.08.2019-Purchase	76	0.00	273636	1.63
	23.08.2019-Purchase	601	0.00	274237	1.63
	30.08.2019-Purchase	1144	0.01	275381	1.64
	06.09.2019-Purchase	22197	0.13	297578	1.77
	13.09.2019-Purchase	2042	0.01	299620	1.78
	20.09.2019-Purchase	713	0.00	300333	1.78
	27.09.2019-Purchase	14945	0.09	315278	1.87
	11.10.2019-Purchase	3324	0.02	318602	1.89
	18.10.2019-Purchase	4457	0.03	323059	1.92
	25.10.2019-Purchase	2500	0.01	325559	1.93
	01.11.2019-Purchase	4750	0.03	330309	1.96
	08.11.2019-Purchase	19986	0.12	350295	2.08
	15.11.2019-Purchase	40000	0.24	390295	2.32
	22.11.2019-Purchase	10000	0.06	400295	2.38
	29.11.2019-Purchase	8393	0.05	408688	2.43
	06.12.2019-Purchase	500	0.00	409188	2.43
	13.12.2019-Purchase	5000	0.03	414188	2.46
	20.12.2019-Purchase	1255	0.01	415443	2.47
	27.12.2019-Purchase	780	0.00	416223	2.47
	31.12.2019-Purchase	100	0.00	416323	2.47
	03.01.2020-Purchase	500	0.00	416823	2.48

**PEARL Polymers Limited**

	10.01.2020-Purchase	50	0.00	416873	2.48
	28.02.2020-Purchase	70	0.00	416943	2.48
	06.03.2020-Purchase	1000	0.01	417943	2.48
	31.03.2020-Purchase	3100	0.02	421043	2.50
	At the end of the year			421043	2.50
4	Life Insurance Corporation of India				
	At the beginning of the year	436272	2.59		
	Date-wise Increase/decrease				
	06.03.2020-Sale	(25000)	(0.15)	411272	2.44
	13.03.2020- Sale	(20500)	(0.12)	390772	2.32
	20.03.2020- Sale	(5000)	(0.03)	385772	2.29
	At the end of the year			385772	2.29
5	BhanukumarNahata				
	At the beginning of the year	86130	0.51		
	Date-wise Increase/decrease				
	07.06.2019-Sale	(22000)	0.13	64130	0.38
	14.06.2019-Sale	(20000)	0.12	44130	0.26
	21.06.2019-Sale	(30000)	0.18	14130	0.08
	15.11.2019-Purchase	5870	0.03	20000	0.12
	22.11.2019-Purchase	16233	0.10	36233	0.22
	29.11.2019-Purchase	30165	0.18	66398	0.39
	06.12.2019-Purchase	45441	0.27	111839	0.66
	13.12.2019-Purchase	13816	0.08	125655	0.75
	20.12.2019-Purchase	1020	0.01	126675	0.75
	27.12.2019-Purchase	6730	0.04	133405	0.79
	31.12.2019-Purchase	5069	0.03	138474	0.82
	03.01.2020-Purchase	22876	0.14	161350	0.96
	10.01.2020-Purchase	13729	0.08	175079	1.04
	17.01.2020-Purchase	17551	0.10	192630	1.14
	24.01.2020-Purchase	7318	0.04	199948	1.19
	31.01.2020-Purchase	5495	0.03	205443	1.22
	07.02.2020-Purchase	21140	0.13	226583	1.35
	14.02.2020-Purchase	34703	0.21	261286	1.55
	06.03.2020-Purchase	86493	0.51	347779	2.07
	13.03.2020-Purchase	1990	0.01	349769	2.08
	At the end of the year			349769	2.08
6	Shree Suraj Resources Limited				
	At the beginning of the year	140651	0.84		
	Date wise Increase/Decrease				
	14.02.2020-Purchase	88327	0.52	228978	1.36
	28.02.2020-Purchase	95412	0.57	324390	1.93
	At the end of the year			324390	1.93

**PEARL Polymers Limited**

7	Deepak Seth				
	At the beginning of the year	324000	1.92		
	Date wise Increase/Decrease			324000	1.92
	At the end of the year			324000	1.92
8	Indovision Securities Limited				
	At the beginning of the year	167905	1.00		
	Date wise Increase/Decrease				
	07.02.2020-Sale	(9793)	(0.06)	158112	0.94
	At the end of the year			158112	0.94
9	HAS Lifestyle Limited				
	At the beginning of the year	18310	0.11		
	Date wise Increase/Decrease				
	07.06.2019-Purchase	8363	0.05	26673	0.16
	14.06.2019-Purchase	23553	0.14	50226	0.30
	21.06.2019-Purchase	12562	0.07	62788	0.37
	28.06.2019-Purchase	2736	0.02	65524	0.39
	05.07.2019-Purchase	14632	0.09	80156	0.48
	12.07.2019-Purchase	8365	0.05	88521	0.53
	19.07.2019-Purchase	500	0.00	89021	0.53
	06.09.2019-Purchase	570	0.00	89591	0.53
	13.09.2019-Purchase	1440	0.01	91031	0.54
	27.09.2019-Purchase	11398	0.07	102429	0.61
	22.11.2019-Purchase	43345	0.26	145774	0.87
	29.11.2019-Purchase	2	0.00	145776	0.87
	20.12.2019-Purchase	1853	0.01	147629	0.88
	21.02.2020-Sale	(16897)	(0.10)	130732	0.78
	28.02.2020-Purchase	16857	0.10	147589	0.88
	At the end of the year			147589	0.88

10	Raj Kumar Lohia				
	At the beginning of the year	144112	0.86		
	Date wise Increase/Decrease				
	24.01.2020	(3544)	(0.02)	140568	0.84
	07.02.2020	(387)	0.00	140181	0.83
	At the end of the year			140181	0.83

**e) Shareholding of Directors and Key Managerial Personnel**

SlNo.	Name of the Shareholder	Shareholding at the beginning of the Year [April 01, 2019]		Cumulative Shareholding during the year [April 01, 2019 to March 31, 2020]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors and Key Managerial Personnel					
1	Mr. Chand Seth	890475	5.29	1152525	6.85
2	Mr. Varun Seth	608311	3.61	758311	4.50

**Note:** Apart from above, none of the directors and/or KMP holds any share in the Company.

**V. INDEBTEDNESS:**

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	®Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2472.48	179.94	0.92	2653.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.36	-	-	9.36
Total (i+ii+iii)	2481.84	179.94	0.92	2662.70
Change in Indebtedness during the financial year				
Addition	-	355.00	-	355.00
-Reduction	(372.67)	-	(0.47)	(373.14)
Net Change	(372.67)	355.00	(0.47)	(18.14)
Indebtedness at the end of the financial year				
i) Principal Amount	2099.81	534.94	0.45	2635.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19.59	1.50	-	21.09
Total (i+ii+iii)	2119.41	536.44	0.45	2656.29

**Note:** ® Unclaimed Deposits are outstanding.



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**a) Remuneration to Managing Director, Whole-time Directors and/or Manager**
**(Rs. in Lakhs)**

Sl No	Particulars of Remuneration	Name of MD/WTD/ Manager		
		Mr. Chand Seth	Mr. Varun Seth	Mr. Ramesh Mehra
		Chairman & Managing Director	Whole Time Director	Whole Time Director
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23.70	26.40	10.44
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	12.00	0.38	0
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	*Total (A)	35.70	26.78	10.44
	Ceiling as per the Companies Act, 2013	59.40	42.00	18.00

The above remuneration does not include contribution made to provident and superannuation fund (as may be applicable) as per Income Tax Rules.

**b) Remuneration to Non Executive and Independent Directors**
**(Rs. in Lakhs)**

Sl No.	Particulars of Remuneration	Name of the Independent Director			Total
		Ms. Meera Johri	Mr. Ravi Kumar Mehra	Mr. Ashish Harish Bhuvra	
		Independent Director	Independent Director	Independent Director	
a)	Fees for attending Board Committee Meetings	0.15	0.15	0.10	0.40
b)	Commission	0	0	0	0
c)	Others, Please specify	0	0	0	0

**c) Remuneration To Key Managerial Personnel other than MD/Manager/WTD**

Sl No.	Particulars of Remuneration Name and Designation	Key Managerial Personnel		
		Ms. Priyanka (Company Secretary)	Mr. Vineet Gupta (Company Secretary)	Mr. Dinesh Kumar Tak (Chief Financial Officer)
1 a)	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.56	5.04	12.60
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission	-	-	
5	Others, please specify	-	-	
	Total	2.56	5.04	12.60

**Notes**

I. Ms. Priyanka has resigned from the Company, therefore the amount of gratuity and leave encashment paid on her resignation is included in the aforesaid remuneration.

II. The amount of bonus paid on her resignation is Rs. 2,934/-

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :NIL**

**ANNEXURE-‘V’**
**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 currently comprises six Directors, of whom, three are Executive and other 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 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
Executive Director			
Mr. Chand Seth (Chairman & Managing Director)	3	1	-
Mr. Varun Seth (Whole Time Director)	1	1	-

Mr. Ramesh Mehra (Whole Time Director)	4	4	-
Non-Executive Independent Director			
Ms. Meera Johri (Independent Director)	1	1	1
Mr. Ravi Kumar Mehra (Independent Director)	1	1	1
Mr. Ashish Harish Bhuvra (Independent Director)	2	1	-

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. Chand Seth and Mr. Varun Seth are related to each other.
4. 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.
5. None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed entities.
6. The Companies who have been converted into Private Limited or LLP after the end of Financial Year but before the date of approval and adoption of this Report 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 2020

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 are 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 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
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 2019-20, the Board met six times viz. on May 15, 2019; June 10, 2019; July 23, 2019; August 14, 2019; November 14, 2019 and February 13, 2020.

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
	15.05.2019	10.06.2019	23.07.2019	14.08.2019	14.11.2019	13.02.2020	27.09.2019
Mr. Chand Seth	Yes	Yes	Yes	LOA	Yes	Yes	Yes
Mr. Varun Seth	Yes	LOA	LOA	Yes	LOA	LOA	No
Mr. Ramesh Mehra	LOA	LOA	LOA	Yes	LOA	LOA	No
Mr. Ashish Harish Bhuva	LOA	LOA	LOA	Yes	LOA	Yes	No
Ms. Meera Johri	Yes	Yes	Yes	LOA	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Yes	LOA	LOA	Yes	Yes	LOA	Yes

## 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 the Company, Non Independent Directors/Board, Chairperson and flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance and such other relevant matters.

### 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 fulfills 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.

## 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 Chairperson 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 Committee comprised of Four (4) Members namely, Mr. Ravi Kumar Mehra as Chairperson and Ms. Meera Johri, Mr. Varun Seth and Mr. Ashish Harish Bhuva as Members.

Mr. Ashish Harish Bhuva was appointed as the member of the Committee w.e.f 23rd July, 2020.

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.

#### Meetings

The members of the Audit Committee met four times during the year. The details of attendance records of the members of the Audit Committee are as follows:

Name of the Director	Category of Director	Attendance at the Meetings held on			
		15.05.2019	14.08.2019	14.11.2019	13.02.2020
Mr. Ravi Kumar Mehra	Independent Director	Yes	Yes	Yes	LOA
Ms. Meera Johri	Independent Director	Yes	LOA	Yes	Yes
Mr. Varun Seth	Executive Director	Yes	Yes	LOA	LOA
Mr. Ashish Harish Bhuva	Independent Director	-	Yes	LOA	Yes

**(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.pearlpolymers.net](http://www.pearlpolymers.net).

**Composition**

The composition of the Stakeholders' Relationship Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee comprised of Four (4) Members namely Ms. Meera Johri as Chairperson, and Mr. Ravi Kumar Mehra, Mr. Chand Seth and Mr. Ramesh Mehra as Members.

**Meetings**

The details of attendance record of the members of the Stakeholders' Relationship committee are as follows

Name of the Director	Category of Director	Attendance at the Meetings held on			
		15.05.2019	14.08.2019	14.11.2019	13.02.2020
Ms. Meera Johri	Independent Director	Yes	LoA	Yes	Yes
Mr. Ravi Kumar Mehra	Independent Director	Yes	Yes	Yes	LoA
Mr. Chand Seth	Executive Director	Yes	LoA	Yes	Yes
Mr. Ramesh Mehra	Executive Director	LoA	Yes	LoA	LoA

**Status of Investors' complaints:**

The status of Investors' complaints as on March 31, 2020 is as follows:

Number of complaints as on April 01, 2019	NIL
Number of complaints received during the year ended on March 31, 2020	3
Number of complaints resolved/disposed of up to March 31, 2020	3
Number of complaints pending as on March 31, 2020	NIL

The complaints received were mainly in the nature of non-receipt of Annual Report. Further, all the request for transfer of shares has also been processed in time and no transfer were pending for registration for more than 15 days as on March 31, 2020. Ms. Priyanka, the Company Secretary of the Company was designated as the "Compliance Officer" of the Company. However, owing to her resignation, Mr. Vineet Gupta, who was appointed as the Company Secretary of the Company in place of Ms. Priyanka, was designated as the "Compliance Officer" of the Company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015 w.e.f 10th June, 2019.

### 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.pearlpet.net](http://www.pearlpet.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 Committee comprised of Three (3) Members namely Mr. Ravi Kumar Mehra as Chairperson and Ms. Meera Johri, Mr. Ashish Harish Bhuva as Members.

### Meetings

The members of the Nomination and Remuneration Committee met three times during the year under review i.e. on 15.05.2019, 14.08.2019 and 13.02.2020.

The details of attendance record of the members of the Nomination and Remuneration Committee are as follows:

Sl No.	Name of the Director	Category of Director	Attendance at the Meeting held on		
			15.05.2019	14.08.2019	13.02.2020
1	Mr. Ravi Kumar Mehra	Independent Director	Yes	Yes	LOA
2	Ms. Meera Johri	Independent Director	Yes	LOA	Yes
3	Mr. Ashish Harish Bhuva	Independent Director	LOA	Yes	Yes

### Performance Evaluation Criteria

The Nomination and Remuneration Committee had evaluated the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. Details are given in the Board's Report.

### 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.

### NON-EXECUTIVE DIRECTORS

Non-executive directors were paid sitting fees 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 as provided in detail in Form MGT-9, i.e. extract of the Annual Return. Each Director 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 2019-20 is as follows:**

						(Rs. in Lakhs)
Sl No.	Name of the Director	Salary and Allowances	Perquisite	Incentive/option etc.	Stock	Total
1	Mr. Chand Seth	23.70	12.00	-		35.70
2	Mr. Varun Seth	26.40	2.84	-		29.24
3	Mr. Ramesh Mehra	10.44	-	-		10.44

The above mentioned Salary and Perquisites includes all the items of Remuneration package except those which are excluded as per the provisions of schedule V of the Companies Act, 2013. The total contribution to Superannuation Fund of Mr. Varun Seth was Rs.3, 96,000/-. The amount of contribution of Rs. 2, 46,000/- to Superannuation Fund which is taxable is included in the perquisite given to Mr. Varun Seth as mentioned above. Further, contribution to Superannuation Fund and Provident Fund which is exempt from tax is not included in the perquisites as mentioned above.

Sitting fee paid to Non-Executive & Independent Directors for the financial year 2019-20 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 Bhuvra	0.10	0.10	0	
2	Ms. Meera Johri	0.15	0.15	0	
3	Mr. Ravi Kumar Mehra	0.15	0.15	0	

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 Member.

During the financial year 2019-20, 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 fees for all the services paid by the Company to the Auditors was Rs. 28.02 Lakh, 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**

**(On next page)**

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
46 <sup>th</sup>	2016-17	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020	29.09.2017 11.30 A.M.	i. Re-appointment of Mr. Chand as Seth, as Chairman & Managing Director for further period of three (3) years.
47 <sup>th</sup>	2017-18		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) consecutive years.  ii. Re-appointment of Ms. Meera Johri as Independent Director for further period of five (5) consecutive years.  iii. Re-appointment of Mr. Ashish Harish Bhuva as Independent Director for further period of five (5) consecutive years.  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

#### Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year 2019-20.

#### 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, no Special Resolution was passed through postal ballot.

##### II. Special Resolutions proposed to be conducted through postal ballot

No Special Resolution is proposed to be passed through postal ballot. However the Company has passed 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.

### 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 is 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.

### DISCLOSURES

#### Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), 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 had adopted its Code as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. 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

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business, have taken requisite approvals as required. The policy on Related Party Transactions in compliance with Listing Regulations and other applicable laws is available on the website of the Company at [www.pearlpet.net](http://www.pearlpet.net). There was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. The details of the related party transactions, as per requirement of Indian Accounting Standard, are disclosed in notes to the financial statements of the Company.

### 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 non-compliance with any

Legal requirement.

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. Dinesh Kumar Tak, Chief Financial Officer (resigned w.e.f close of working hours of 31.07.2020) 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**
**49th Annual General Meeting**

Date and Time	December 30, 2020 at 11:00 A.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	December 24, 2020 to December 30, 2020 (Both days inclusive)

**Financial Calendar for the year 2020-21 (Tentative)**

Financial Year	2019-20	
Results for the Quarter ending	Audited/Un-audited	Tentative date of reporting
June 30, 2020	Un-audited	On or before August 31, 2020
September 30, 2020	Un-audited	On or before November 14, 2020
December 31, 2020	Un-audited	On or before February 14, 2021
March 31, 2021	Audited	On or before May 30, 2021

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
<u>BSE Limited (BSE)</u> Phiroze Jeejeebhoy Towers, Dalal Street, 25 <sup>th</sup> Floor, Mumbai - 400 001	523260
<u>National Stock Exchange of India Ltd.</u> 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 2019-20 have duly been paid to the Stock Exchanges/ Depositories.

**STOCK MARKET DATA FOR THE FINANCIAL YEAR 2019-20**
**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 2019	13.65	11.50	12.50	11748.15	13.50	11.60	12.14	39,031.55
May 2019	13.70	10.00	12.65	11922.80	13.27	10.03	13.27	39,714.20
June 2019	15.20	11.80	13.50	11788.85	14.64	12.31	13.50	39,394.64
July 2019	14.55	10.70	10.70	11118.00	14.15	10.45	10.45	37,481.12
August 2019	11.00	08.65	08.70	11023.25	10.45	09.36	09.50	37,332.79
September 2019	10.45	08.25	09.15	11474.45	10.49	08.75	09.12	38,667.33
October 2019	09.90	07.40	09.85	11877.45	09.32	07.85	09.30	40,129.05
November 2019	16.65	09.50	14.60	12056.05	16.15	08.85	14.37	40,793.81
December 2019	16.00	13.00	15.35	12168.45	16.70	13.60	16.70	41,253.74
January 2020	18.20	14.55	16.50	11962.10	17.90	14.10	16.50	40,723.49
February 2020	17.00	13.15	13.30	11201.75	16.85	12.55	13.00	38,297.29
March 2020	15.25	12.20	12.95	8597.75	15.04	12.50	13.00	29,468.49

**Distribution of Shareholding as on March 31, 2020**

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	9027	90.80	12,32,728	1,23,27,280	7.32
5001 to 10000	474	4.78	3,97,667	39,76,670	2.36
10001 to 20000	219	2.20	3,34,628	33,46,280	1.99
20001 to 30000	72	0.72	1,86,805	18,68,050	1.11
30001 to 40000	30	0.30	1,07,008	10,70,080	0.64
40001 to 50000	29	0.29	1,35,240	13,52,400	0.80
50001 to 100000	35	0.35	2,50,742	25,07,420	1.49
100001 and above	56	0.56	1,41,90,114	14,19,01,140	84.29
Total	9942	100.00	1,68,34,932	16,83,49,320	100.00

**Shareholding Pattern of the Company as on March 31, 2020**

Sl No.	Category	No. of Shares Held	% of shareholding
1	Promoters	93,60,490	55.60
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	9,99,129	5.94
5	Indian Public	60,28,185	35.81
6	NRIs/OCBs/FIIs	29,747	0.18
7	Clearing Member	10,589	0.06
	TOTAL	1,68,34,932	100.00

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

As on March 31, 2020, 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	1,41,83,090	84.25
Shares in Demat Form held with CDSL	18,84,944	11.20
Shares in Physical Form	7,66,898	4.55
Total	1,68,34,932	100.00
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**

Shares sent for physical transfer are transferred within 15 working days of lodgment, provided all the documents submitted are in order. 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 Ratings obtained by the Company from India Ratings & Research Private Limited during the year is as below:

Instrument Type	Rating/Outlook	Rating Action
Fund-based working capital limit	IND BB+/Negative/IND A4+	Downgraded
Non-fund-based working capital limit	IND BB+/Negative/IND A4+	Downgraded

**Revised**

Instrument Type	Rating/Outlook	Rating Action
Fund-based working capital limit	IND BB-/Negative/IND A4+	Long term downgraded; short term rating affirmed
Non-fund-based working capital limit	IND BB-/Negative/IND A4+	Long term downgraded; short term rating affirmed

**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
Mas Services Limited 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>	Ms. Priyanka Mr. Vineet Gupta (w.e.f 10 <sup>th</sup> June, 2019) 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,Jagati Logistic,Distt. Kamrup,Village SindurghopaGuwahati, Assam – 781101



**CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH 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, 2020, 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, 2020.

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: August 25, 2020  
UDIN: A025681B000611332

Sd/-  
Rashmi Sahni  
Practicing Company Secretary  
Certificate Practice No. 10493

**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, 2020.

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

Place: New Delhi  
Date: July 31, 2020

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

**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, 2020 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:
  - a) evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and
  - b) 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.

Sd/-

Sd/-

**Place: New Delhi  
Date: July 31, 2020**

**Chand Seth  
Chairman & Managing Director**

**Dinesh Kumar Tak  
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 hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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.	RAVIKUMAR MEHRA	06882167	26/05/2014

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 : August 14, 2020  
UDIN: A025681B000582677

Sd/-  
**Rashmi Sahni**  
**Practicing Company Secretary**  
**Membership No: 25681**  
**Certificate Practice No. 10493**

**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, 2020, 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, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Contingent liabilities and provisions (refer note 39 to the financial statements)

Key Audit Matter	How the matter was addressed in our audit
<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 2020, the Company's contingent liabilities are disclosed in note 39 to the financial</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</li> </ul>

**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.

statements.

Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering 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 past 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.

These estimates could change substantially over time as new facts emerge and as each legal case progresses.

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.

expenses and read the minutes of Board meetings, to evaluate the completeness of list of the open litigations.

- Read the latest correspondences between the 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.
- 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.
- For non-tax matters, we evaluated Management's decisions and rationale for provisions established or disclosures made for contingent liabilities.

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

other information and we do not express any form of assurance conclusion 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report 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.

Our opinion on the financial statements does not cover the

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)(l) 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

Place: New Delhi

Date: 31st July, 2020

**UDIN: 20081482AAAA6854**

#### **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 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**  
**Sd/-**  
**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

#### **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 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 2020, 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: 31st July, 2020  
UDIN: 20081482AAAA6854

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**  
Sd/  
**(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 2020, 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.

© 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 31st March, 2020 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 given 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 given 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: 31st July, 2020  
UDIN: 20081482AAAABA6854

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**  
Sd/-  
**(CA Naresh Khanna)**  
Partner  
M.No. 081482

**PEARL POLYMERS LIMITED**  
**BALANCE SHEET AS AT 31st MARCH 2020**

PARTICULARS	Note No.	As at	
		31st March 2020	31st March 2019
		(Rs. in lakhs)	(Rs. in lakhs)
1	2	3	4
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment	2	4,460.38	4,929.20
(b) Capital work-in-progress	3	-	-
(c) Investment Property	4	-	25.37
(d) Other Intangible Assets	5	16.42	23.23
(e) Financial Assets			
(i) Investments	6	208.30	208.30
(ii) Loans	7	257.67	249.74
(f) Other Non-Current Assets	8	5.83	29.38
<b>Sub total Non Current Assets</b>		<b>4,948.60</b>	<b>5,465.22</b>
<b>2 Current assets</b>			
(a) Inventory	9	1,970.57	2,243.62
(b) Financial Assets			
(i) Investments	10	1.35	2.71
(ii) Trade Receivables	11	3,042.04	4,351.15
(iii) Cash and Cash Equivalents	12	248.08	238.01
(iv) Loans	13	23.08	25.53
(v) Other Financial Assets	14	16.57	15.29
(c) Current Tax Assets (Net)	15	19.92	27.96
(d) Other Current Assets	16	283.93	248.45
<b>Sub total Current Assets</b>		<b>5,605.54</b>	<b>7,152.72</b>
<b>TOTAL ASSETS</b>		<b>10,554.14</b>	<b>12,617.94</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	17	1,682.68	1,682.68
(b) Other Equity	18	1,775.77	2,858.53
<b>Sub Total Equity</b>		<b>3,458.45</b>	<b>4,541.21</b>
<b>2 Non-current liabilities</b>			
(a) Financial Liability			
(i) Borrowings	19	522.22	538.29
(b) Provisions	20	331.39	341.98
(c) Deferred Tax Liability (Net)	21	-	131.90
(d) Other Non Current Liabilities	22	72.81	112.71
<b>Sub total Non Current Liability</b>		<b>926.42</b>	<b>1,124.88</b>
<b>3 Current liabilities</b>			
(a) Financial Liability			
(i) Borrowings	23	2,115.55	2,124.14
(ii) Trade Payables	24	3,254.76	4,166.53
(iii) Other Financial Liabilities	25	180.73	180.07
(b) Other Current Liabilities	26	598.10	457.82
(c) Provisions	27	20.13	23.29
<b>Sub total Current Liability</b>		<b>6,169.27</b>	<b>6,951.85</b>
<b>TOTAL EQUITY AND LIABILITY</b>		<b>10,554.14</b>	<b>12,617.94</b>

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

2-55

For Sehgal Mehta &amp; Co.

Chartered Accountants

F.R.N: 003330N

For and on behalf of the board of directors

 SD/  
 Naresh Khanna  
 Partner  
 M.No 081482

Place: New Delhi

Dated: 31st July, 2020

UDIN: 20081482AAAABA6854

 SD/  
 CHAND SETH  
 Chairman & Managing Director  
 DIN-00002944

 SD/  
 DINESH KUMAR TAK  
 Chief Financial Officer  
 M.No.403873

 SD/  
 VARUN SETH  
 Whole Time Director  
 DIN-00017552

 SD/  
 Vineet Gupta  
 Company Secretary  
 M.No.47642

**PEARL POLYMERS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2020**

	<b>PARTICULARS</b>	Note No.	For the	For the
			period ended 31.03.2020 (Rs. in lakhs)	period ended 31.03.2019 (Rs. in lakhs)
	1	2	3	4
1	Revenue from Operations	28	13,953.26	17,871.51
2	Other Income	29	251.32	220.71
3	<b>Total Income (1+2)</b>		<b>14,204.58</b>	<b>18,092.22</b>
4	<b>Expenses</b>			
	(i) Cost of Materials Sold/Consumed	30	8,174.70	11,052.97
	(ii) Purchase of stock in trade	31	342.04	153.47
	(iii) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	32	108.19	(10.96)
	(iv) Employees Benefits Expense	33	1,595.33	1,783.99
	(v) Finance Costs	34	418.28	494.64
	(vi) Depreciation and Amortization Expense	35	637.39	629.43
	(vii) Other Expenses	36	4,175.43	4,620.02
	<b>Total Expenses (4)</b>		<b>15,451.36</b>	<b>18,723.56</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>		(1,246.78)	(631.34)
6	Exceptional Items		-	-
7	<b>Profit/(loss) before tax (5-6)</b>		<b>(1,246.78)</b>	<b>(631.34)</b>
8	<b>Tax Expenses:</b>			
	(i) Current Tax		-	-
	(ii) Deferred Tax		(131.90)	(144.90)
	(iii) Tax adjustment for earlier year		-	-
9	<b>Profit (Loss) for the period from continuing operations (7-8)</b>		<b>(1,114.88)</b>	<b>(486.44)</b>
10	Profit/(loss) from discontinued operations		-	-
11	Tax expense of discontinued operations		-	-
12	<b>Profit/(loss) from Discontinued operations (after tax) (10-11)</b>		<b>-</b>	<b>-</b>
13	<b>Profit/(loss) for the period (9+12)</b>		<b>(1,114.88)</b>	<b>(486.44)</b>
14	<b>Other Comprehensive Income</b>		32.12	(1.32)
	A (i) Items that will not be reclassified to profit or loss		32.12	(1.32)
	(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		-	-
15	<b>Total Comprehensive Income for the period (13+14) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(1,082.76)</b>	<b>(487.76)</b>
16	<b>Earnings per equity share (for continuing operation):</b>			
	(i) Basic		(6.63)	(2.89)
	(ii) Diluted		(6.63)	(2.89)
17	<b>Earnings per equity share (for discontinued operation):</b>			
	(i) Basic		0.00	0.00
	(ii) Diluted		0.00	0.00
18	<b>Earnings per equity share (for discontinued &amp; continuing operation):</b>	37		
	(i) Basic		(6.63)	(2.89)
	(ii) Diluted		(6.63)	(2.89)

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements  
As per our report of even date 2-55

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

For and on behalf of the board of directors

SD/-  
Naresh Khanna  
Partner  
M.No 081482

Place: New Delhi  
Dated: 31st July, 2020  
UDIN: 20081482AAAABA6854

SD/-  
CHAND SETH  
Chairman & Managing Director  
DIN-00002944

SD/-  
VARUN SETH  
Whole Time Director  
DIN-00017552

SD/-  
DINESH KUMAR TAK  
Chief Financial Officer  
M.No.403873

SD/-  
Vineet Gupta  
Company Secretary  
M.No.47642

PEARL POLYMERS LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For the period Ended March 31, 2020 (Rs. in lakhs)	For the year Ended March 31, 2019 (Rs. in lakhs)
A. Cash flow from operating activities:		
Net profit / (loss) before tax	(1246.78)	(631.34)
Adjustments for :		
- Depreciation/Amortisation	637.38	629.42
- Interest Expense	418.28	494.64
- Interest Income	(29.52)	(29.89)
- Actuarial Gain routed through OCI	32.12	(1.32)
- (Profit)/loss on sale of assets	(123.91)	(69.91)
- (Profit)/loss on revaluation of Investments	1.36	3.58
Operating profit before working capital changes	(311.07)	395.18
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	1309.11	429.95
- (Increase)/Decrease in Other Receivables	(26.50)	86.99
- (Increase)/Decrease in Inventories	273.06	(26.00)
- Increase/(Decrease) in Trade and Other Payables	(832.90)	(137.46)
Cash generated from operations	411.70	748.66
- Taxes (Paid) / Received	8.04	(6.32)
Net cash from operating activities (a)	419.74	742.34
B. Cash flow from Investing activities:		
Purchase of fixed assets		
Additions during the period	(191.25)	(210.75)
Proceeds from Sale of fixed assets	178.78	152.47
Interest Received (Revenue)	27.97	30.95
Net cash used in investing activities (b)	15.49	(27.33)
C. Cash flow from financing activities:		
Proceeds from long term borrowings(Net)	51.44	(222.35)
Proceeds from Short Term Borrowing	(76.56)	(77.97)
Interest Paid	(409.40)	(494.46)
Net cash used in financing activities ( c)	(434.52)	(794.78)
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	0.71	(79.77)
Cash and cash equivalents as at 01.04.2019	44.75	124.52
Cash and cash equivalents as at 31.03.2020	45.46	44.75
Cash and cash equivalents comprise		
Cash in hand	11.17	7.63
Balance with Scheduled Banks	34.28	37.12
	45.45	44.75

Notes :

<sup>1</sup> 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.

<sup>2</sup> Figures in brackets indicate cash outgo.

<sup>3</sup> 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

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

SD/  
Naresh Khanna  
Partner  
M.No 081482

Place: New Delhi  
Dated: 31st July, 2020  
UDIN: 20081482AAAABA6854

For and on behalf of the board of directors

SD/  
CHAND SETH  
Chairman & Managing Director  
DIN-00002944

SD/  
DINESH KUMAR TAK  
Chief Financial Officer  
M.No.403873

SD/  
VARUN SETH  
Whole Time Director  
DIN-00017552

SD/  
Vineet Gupta  
Company Secretary  
M.No.47642

PEARL POLYMERS LIMITED  
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

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

Particulars	As at year ended 31.03.2020	As at year ended 31.03.2019
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 1st April, 2018	144.72	1,733.00	1,868.27	147.42	(616.13)	69.01	3,346.29
Profit for the year 2018-19	-	-	-	-	(486.44)	(1.32)	(487.76)
<b>Balance as at 31st March, 2019</b>	<b>144.72</b>	<b>1,733.00</b>	<b>1,868.27</b>	<b>147.42</b>	<b>(1,102.57)</b>	<b>67.69</b>	<b>2,858.53</b>
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>

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

2-55

For Sehgal Mehta & Co.

Chartered Accountants

F.R.N: 003330N

SD/-  
Naresh Khanna

Partner

M.No 081482

Place: New Delhi

Dated: 31st July, 2020

UDIN: 20081482AAAABA6854

For and on behalf of the board of directors

SD/-  
**CHAND SETH**  
Chairman & Managing Director  
DIN-00002944

SD/-  
**VARUN SETH**  
Whole Time Director  
DIN-00017552

SD/-  
**DINESH KUMAR TAK**  
Chief Financial Officer  
M.No.403873

SD/-  
**Vineet Gupta**  
Company Secretary  
M.No.47642



## 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 July 31, 2020.

## 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 of 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 2020

	Land Freehold	Land Leasehold	Building	Plant & Machinery	QC Equipment	Electrical Instalation	Moulds	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
<b>Cost or Valuation</b>												
As at 1.4.2019	90.80	151.42	1,254.25	3,480.60	0.00	146.88	1,362.74	37.16	31.41	153.88	26.76	6,735.90
Additions	-	-	10.76	69.12	0.30	9.59	95.05	3.62	1.94	-	0.87	191.25
Disposals	-	-	-	(22.47)	0.00	(0.55)	(9.23)	-	-	(2.39)	-	(34.64)
As at 31.03.2020	90.80	151.42	1,265.01	3,527.25	0.30	155.92	1,448.56	40.78	33.35	151.49	27.63	6,892.51
<b>Depreciation</b>												
As at 1.4.2019	-	5.16	177.35	1,159.65	(0.00)	44.90	314.09	11.66	15.11	59.65	19.13	1,806.70
Charges for the year	-	1.67	58.39	397.38	0.00	13.52	129.26	4.48	4.55	17.75	3.15	630.15
Disposals	-	-	-	(2.87)	-	-	-	-	-	(1.85)	-	(4.72)
As at 31.03.2020	-	6.83	235.74	1,554.16	0.00	58.42	443.35	16.14	19.66	75.55	22.28	2,432.13
<b>Net Block</b>												
As at 31.03.2020	90.80	144.59	1,029.27	1,973.09	0.30	97.51	1,005.21	24.64	13.70	75.95	5.35	4,460.38
As at 31.3.2019	90.80	146.25	1,076.90	2,320.95	0.00	101.99	1,048.64	25.50	16.30	94.23	7.63	4,929.20

**3A. CAPITAL WORK IN PROGRESS**

The following table shows change in Capital Work in Progress during the year ended 31st March 2020

Particulars	Capital work in progress
As at 1.4.2019	-
Addition	-
Amount transferred from CWIP	-
As at 31.03.2020	-

**4A. INVESTMENT PROPERTY**

The following table shows changes in investment Property during the year ended 31st March 2020

	Building	Total (Rs. in lakhs)
<b>Cost or Valuation</b>		
As at 1.4.2019	26.90	26.90
Additions	-	-
Disposals	(26.90)	(26.90)
As at 31.03.2020	0.00	0.00
<b>Depreciation</b>		
As at 1.4.2019	1.53	1.53
Charges for the year	0.41	0.41
Disposals	(1.94)	(1.94)
As at 31.03.2020	0.00	0.00
<b>Net Block</b>		
As at 31.03.2020	(0.00)	(0.00)
As at 31.3.2019	25.37	25.37

Other disclosures as per Ind-AS 40 "Investment Property"

(i) Amount recognised in Statement of profit and loss for investment properties	Year Ended 31.03.2020	Year Ended 31.03.2019
Rental income	-	4.50
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-

**(ii) Contractual Obligations and restrictions**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair Value of investment property	Year Ended 31.03.2020	Year Ended 31.03.2019
Investment properties	0.00	160.00

**Estimation of fair value**

The company has not obtained independent valuations for its investment properties as the property has been sold during the year.

**5A. INTANGIBLE ASSETS**

Particulars	Software	Total
<b>Gross Carrying value</b>		
As at 1.4.2019	33.54	33.54
Addition	-	-
Deletions	-	-
As at 31.03.2020	33.54	33.54
<b>Amortization</b>		
As at 1.4.2019	10.31	10.31
Charges for the year	6.82	6.82
Deletions	-	-
As at 31.03.2020	17.12	17.12
<b>Net Carrying Value</b>		
As at 31.03.2020	16.42	16.42
As at 31.3.2019	23.23	23.23



**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st March 2020**
**NON CURRENT ASSETS**

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>2 Property Plant &amp; Equipment</b>				
Property, Plant & Equipment (Ref Note 2A)		4,460.38		4,929.20
<b>Total Property Plant &amp; Equipment</b>		<b>4,460.38</b>		<b>4,929.20</b>

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>3 Capital work in progress</b>				
Capital work in progress (Ref Note 3A)		-		-
<b>Total Capital work in progress</b>		<b>-</b>		<b>-</b>

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>4 Investment Property</b>				
Investment Property (Ref Note 4A)		-		25.37
<b>Total Capital work in progress</b>		<b>-</b>		<b>25.37</b>

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>5 Other Intangible Assets</b>				
Other Intangible Assets (Ref Note 5A)		16.42		23.23
<b>Total Other Intangible Assets</b>		<b>16.42</b>		<b>23.23</b>

**FINANCIAL ASSETS**

Particulars	As at 31st March 2020		As at 31st March 2019	
<b>6 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 - Nil) 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 2020		As at 31st March 2019	
<b>7 Loans</b>				
Security Deposits-unsecured-considered good				
- Considered Good	257.67		249.74	
- Less Provision for Doubtful	-	257.67	-	249.74
<b>Total Loans</b>		<b>257.67</b>		<b>249.74</b>

8 <b>Other Non Current Assets</b>	As at 31st March 2020		As at 31st March 2019	
Vat Recoverable		0.37		0.37
Balances with excise and custom authorities		-		4.43
Prepaid Expenses		5.46		7.75
Capital Advances		-		16.79
Other advances	4.69		4.73	
Less: Provision for doubtful advances	(4.69)	0.00	(4.69)	0.04
<b>Total Other Non Current Assets</b>		<b>5.83</b>		<b>29.38</b>

**CURRENT ASSETS**

9 <b>Inventories</b>	As at 31st March 2020		As at 31st March 2019	
Raw Materials		358.98		534.52
Raw Materials in transit		98.34		27.59
Finished Goods and Accessories		895.02		1,098.90
Semi-finished Goods		73.70		105.38
Packing Materials		142.02		196.54
Packing Materials in transit		0.45		-
Stores & Spares		227.59		234.31
Spares in Transit		0.72		-
Finished Goods in transit		0.79		-
Stock in Trade		172.96		46.38
<b>Total Inventories</b>		<b>1,970.57</b>		<b>2,243.62</b>

**FINANCIAL ASSETS**

10 <b>Investments</b>	As at 31st March 2020		As at 31st March 2019	
<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.		0.37		0.56
ii) 3,300 (Previous Year 3,300) Equity shares of Rs..10/- each of Pasupati Fincap Ltd.		0.03		0.13
iii)100 (Previous Year 100) Equity shares of Rs.10/- each of Prism Cement Ltd.		0.03		0.10
iv) 5,000 (Previous Year 5,000) Equity shares of Rs.10/- each of Master Trust Ltd.		0.66		1.65
v) 600 (Previous Year 600) Equity shares of Rs.10/- each of Dion Global Solutions Ltd		0.01		0.02
vi) 5,900 (Previous Year 5,900) Equity shares of Rs.10/- each of Market Creator Ltd.		0.25		0.25
<b>Total Investments</b>		<b>1.35</b>		<b>2.71</b>

11 <b>Trade Receivables</b>	As at 31st March 2020		As at 31st March 2019	
Unsecured considered good		3,042.04		4,351.15
Unsecured considered doubtful		159.04		159.04
		3,201.08		4,510.19
Less: Provision for Doubtful Debts		(159.04)		(159.04)
<b>Total Trade Receivables</b>		<b>3,042.04</b>		<b>4,351.15</b>

12 <b>Cash and Cash Equivalents</b>	As at 31st March 2020		As at 31st March 2019	
Balances with Banks				
- Current account	34.28		37.12	
Cash in hand	11.17		7.63	
Deposits with Original Maturity for more than 3 months but less than 12 months (Margin Money)	202.63	248.08	193.26	238.01
<b>Total Cash and Cash Equivalents</b>		<b>248.08</b>		<b>238.01</b>

13 <b>Loans</b>		As at 31st March 2020		As at 31st March 2019	
Security Deposits-secured-considered good			23.08		25.53
<b>Total Loans</b>			<b>23.08</b>		<b>25.53</b>
14 <b>Other Financial Assets</b>		As at 31st March 2020		As at 31st March 2019	
Interest Receivables			16.57		15.01
Others Receivables			-		0.28
<b>Total Other Financial Assets</b>			<b>16.57</b>		<b>15.29</b>
15 <b>Current Tax Assets (Net)</b>		As at 31st March 2020		As at 31st March 2019	
Income tax advances (net of tax liability)			19.92		27.96
<b>Total Current Tax Assets (Net)</b>			<b>19.92</b>		<b>27.96</b>
16 <b>Other Current Assets</b>		As at 31st March 2020		As at 31st March 2019	
<b>Advances Recoverable from Related Parties-Unsecured-considered good</b>					
VAT Recoverable			-		4.14
Balances with GST,excise and custom authorities			103.49		82.82
Prepaid Expenses			28.97		35.82
Tour & Other advances to Staff			19.61		15.40
Capital Advances-unsecured-considered good			22.32		-
Advance to supplier			68.07		96.34
Discounts Receivable			3.56		-
Others			37.91		13.93
<b>Total Other Current Assets</b>			<b>283.93</b>		<b>248.45</b>

**EQUITY AND LIABILITIES**
**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st March, 2020**
**17 EQUITY SHARE CAPITAL**

Particulars	As at 31st March 2020		As at 31st March 2019	
<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
As at 31st March 2019	16,834,932	1,683.49
Add/(less): Issued/(redeemed) during the year	-	-
As at 31st March 2020	16,834,932	1,683.49

**(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 2019</b>		
Mr. Chand Seth	8.90	5.29%
Pearl Telefonics Ltd. (formerly 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 2020</b>		
Mr. Chand Seth	11.53	6.85%
Pearl Telefonics Ltd. (formerly 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%

18 OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
<b>(a) Reserve and Surplus</b>		
<b>Capital Reserve</b>		
Balance at the commencement of the year	144.72	144.72
<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
<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
<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
<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	(1,102.57)	(616.13)
Add: Profit/(loss) during the year	(1,114.88)	(486.44)
<b>Balance at the end</b>	<b>(2,217.45)</b>	<b>(1,102.57)</b>
<b>Total (a)</b>	<b>1,675.96</b>	<b>2,790.84</b>
<b>(a) Other Components of Equity</b>		
<b>Remeasurement of net defined benefit plan</b>		
Balance at the commencement of the year	67.69	69.01
Add: Profit/(loss) during the year	32.12	(1.32)
<b>Balance at the end</b>	<b>99.81</b>	<b>67.69</b>
<b>Total (a)</b>	<b>99.81</b>	<b>67.69</b>
<b>Total (a+b)</b>	<b>1,775.77</b>	<b>2,858.53</b>

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

19 <b>Borrowings</b>	<b>As at 31st March 2020</b>		As at 31st March 2019	
<b>Term Loans from Other Parties (secured)</b>		183.33		393.52
<b>Vehicle Loans from Banks (secured)</b>		18.95		29.83
<b>Other loans and advances</b>				
Loan from Directors (unsecured)		319.94		104.94
Capital Advance Received against sale of property		-		10.00
<b>Total Borrowings</b>		<b>522.22</b>		<b>538.29</b>

**I Term Loans**

(i) Term Loan of Rs. 77.93 lakhs (Previous Year Rs. 211.08 lakhs) is 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. Repayments - in monthly installments till 24.10.2020. Current Rate of interest is 12.70% p.a.

(ii) Term Loan of Rs. 144.53 lakhs (Previous Year Rs. 219.68 lakhs) is 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 is further secured by personal guarantee of Mr.Chand Seth & Mr.Varun Seth, Directors of the Company. Repayments - in monthly installments till 28.02.2022. Current Rate of interest is 12.50% p.a.

(iii) Term Loan of Rs. 172.59 lakhs (Previous Year Rs. 228.57 lakhs) is 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 is further secured by personal guarantee of Mr.Chand Seth & Mr.Varun Seth, Directors of the Company. Repayments - in monthly installments till 10.03.2023. Current Rate of interest is 12.50% p.a.

**Repayments of above Term Loans are as follows:**

Period of Payment of Installments	Term Loan (i)	Term Loan (ii)	Term Loan (iii)
From 0 to 1 years	77.93	75.48	58.31
From 1 to 2 years	-	69.05	57.14
From 2 to 3 years	-	-	57.14

**II Vehicles Loans**

Vehicle loans of Rs.29.86 lakhs (Previous Year Rs. 39.83 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. 10.90 lakhs
- (ii) From 1 to 2 years - Rs. 11.03 lakhs
- (iii) From 2 to 3 years - Rs.7.52 lakhs
- (iv) From 3 to 4 years - Rs.0.40 lakhs

**NON FINANCIAL LIABILITIES**

20 <b>Provisions</b>	<b>As at 31st March 2020</b>		As at 31st March 2019	
<b>Provision for Employees Benefits</b>				
Gratuity		267.55		274.72
Leave Encashment		63.84		67.26
<b>Total Provisions</b>		<b>331.39</b>		<b>341.98</b>

21 <b>Deferred Tax Liability (Net)</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
<b>Deferred Tax Assets</b>				
Provision for Doubtful Debt and Advances		41.35		41.35
Provision for Leave Encashment		21.83		23.24
Gratuity		69.56		71.73
Unabsorbed Depreciation		380.49		292.19
Bonus		6.38		7.45
		<b>519.61</b>		<b>435.96</b>
<b>Deferred Tax Liabilities</b>				
Depreciation		519.61		566.56
Revaluation of investments		-		1.30
		<b>519.61</b>		<b>567.86</b>
<b>Total Deferred Tax Liability (Net)</b>		<b>-</b>		<b>131.90</b>

The Company has created Deferred Tax Assets only to the extent of sufficient taxable temporary difference (Deferred Tax Liability) available as on balance sheet date as per the prudence norms and as per "Indian Accounting Standard 12 - Income Taxes" applicable to the Company.

22 <b>Other Non Current Liabilities</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
<b>Trade Payables</b>				
For Capital Goods		-		46.55
<b>Others</b>				
Security Deposits Received		72.81		66.16
<b>Total Other Non Current Liabilities</b>		<b>72.81</b>		<b>112.71</b>

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

23 <b>Borrowings</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
<b>Term Loans from Other Parties (secured)</b>		211.72		286.15
(Refer Note No. I of 19)				
<b>Vehicle Loans from Banks (secured)</b>		10.90		10.00
(Refer Note No. II of 19)				
<b>Working Capital Loans (secured)</b>		1,676.43		1,752.99
<b>Loans (ICD) (unsecured)</b>		216.50		75.00
<b>Total Borrowings</b>		<b>2,115.55</b>		<b>2,124.14</b>

**Loan Repayable on demand from Banks (secured)**

Working Capital Loans from Banks are secured by hypothecation of inventories and Book Debts and are further secured by first charge on Company's immovable property at Mahad, Jigani, and Pantnagar. The above said loans are further secured by personal guarantees of Mr.Chand Seth & Mr. Varun Seth, Directors of the Company.

24 <b>Trade Payables</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
<b>Creditors for Raw materials*</b>		2,238.52		3,007.40
Due to Micro and Small Enterprises	2.97		2.93	
Others	2,235.55		3,004.47	
<b>Creditors for Capital Goods*</b>		82.20		65.90
<b>Creditors for Other Service*</b>		934.04		1,093.23
*(Refer Note No. 50 for details of dues to Micro & Small Enterprises)				
<b>Total Trade Payables</b>		<b>3,254.76</b>		<b>4,166.53</b>

25 <b>Other Financial Liabilities</b>	<b>As at 31st March 2020</b>		<b>As at 31st March 2019</b>	
Interest accrued but not due		18.06		9.18
Employee benefits payable				
-Bonus Payable		24.55		28.64
-Exgratia Payable		8.65		9.64
-EPF Payable		15.30		15.27
-ESI Payable		4.81		6.85
-LTA Payable		8.11		4.61
-Professional Tax Payable		0.41		0.32
-Salay Payable		97.52		103.34
-Directors Remuneration Payable		3.31		2.22
<b>Total Other Financial Liabilities</b>		<b>180.73</b>		<b>180.07</b>

**NON FINANCIAL LIABILITIES**

26 <b>Other Current Liabilities</b>	As at 31st March 2020		As at 31st March 2019	
ILC Interest payable		2.34		12.30
Additional Goods Tax Payable		1.11		0.49
Expense Payable		283.90		283.40
Sales Tax/VAT Payable		4.29		4.50
GST Payable		108.96		42.11
TDS Payable		13.71		12.27
Wages Payable		0.40		0.40
Unclaimed Matured Deposits		0.45		0.92
Staff Advance		9.84		6.65
Pearl Employees Thrift Society		20.05		21.52
Stale Cheque		0.62		7.56
Relief Fund		0.73		1.13
Advance Received from customers		150.05		64.42
LIC Recoveries		0.13		0.15
Other Payables		1.52		-
<b>Total Other Current Liabilities</b>		<b>598.10</b>		<b>457.82</b>

27 <b>Provisions</b>	As at 31st March 2020		As at 31st March 2019	
<b>Provision for Employees Benefits</b>				
Gratuity		-		1.16
Leave Encashment		20.13		22.13
<b>Total Provisions</b>		<b>20.13</b>		<b>23.29</b>

28 <b>Revenue from Operations</b>	As at 31st March 2020		As at 31st March 2019	
<b>Sale of products</b>		<b>13,807.66</b>		17,824.42
<b>Other operating revenues</b>		<b>145.60</b>		47.09
<b>Total Revenue from Operations</b>		<b>13,953.26</b>		<b>17,871.51</b>

29 <b>Other Income</b>	As at 31st March 2020		As at 31st March 2019	
<b>Interest income on</b>				
Bank Deposits		13.13		14.46
Security Deposits		16.39		15.43
Others		16.96		-
Rent Received		2.16		4.50
Insurance Claims Received		1.79		2.78
Balances written back		41.47		32.17
Profit on sale of Fixed Assets		123.91		69.91
Mould Development charges		4.17		31.72
Provision No Longer Required written back		-		22.22
Misc Income		31.34		27.52
<b>Total Other Income</b>		<b>251.32</b>		<b>220.71</b>

30 <b>Cost of Raw Materials Consumed</b>	As at 31st March 2020		As at 31st March 2019	
<b>Raw Materials</b>				
Inventory at the beginning of the year	562.11		550.03	
Add: Purchase	7,016.49		9,693.07	
Less: Inventory at the end of the year	457.32	7,121.28	562.11	9,680.99
<b>Packing Materials</b>				
Inventory at the beginning of the year	196.54		201.35	
Add: Purchase	708.21		955.56	
Less: Inventory at the end of the year	142.47	762.28	196.54	960.37
<b>Direct Purchase</b>				
Pet Preforms	93.88		146.44	
Pet Bottles & Jars	10.49		-	
Caps/Wads	186.77	291.14	265.17	411.61

<b>Total Cost of Raw Materials Consumed</b>		<b>8,174.70</b>	<b>11,052.97</b>
<b>Particulars of Raw Materials consumed</b>			
	<b>Value Rs. in lakhs March 31, 2020</b>	<b>Value Rs. in lakhs March 31, 2019</b>	
Pet Chips	5,930.58	8,409.75	
Polypropylene	1,075.59	1,197.72	
Other	115.11	73.52	
	<b>7,121.28</b>	<b>9,680.99</b>	
<b>31 Purchase of Traded goods</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Pet Bottles & Jars	16.56	8.61	
Others	325.48	144.86	
	<b>342.04</b>	<b>153.47</b>	
<b>32 Changes in inventories of Finished Goods, Stock in Process and Stock in Trade</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Inventory at the beginning of the year			
Finished goods and Accessories	1,098.90	1,112.51	
Stock in Trade	46.38	22.53	
Semifinished goods	105.38	104.66	1,239.70
Inventory at the end of the year			
Finished goods and Accessories	(895.81)	(1,098.90)	
Stock in Trade	(172.96)	(46.38)	
Semifinished goods	(73.70)	(105.38)	(1,250.66)
	<b>108.19</b>	<b>(10.96)</b>	
<b>33 Employee benefit Expenses</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Salary, Wages, Bonus & Other Allowance	1,431.96	1,601.09	
Contribution to PF, ESI & other Funds	122.02	137.86	
Staff Welfare expenses	41.35	45.04	
	<b>1,595.33</b>	<b>1,783.99</b>	
<b>34 Finance Costs</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Interest Expenses	355.01	410.40	
Other Borrowing Cost	63.27	84.24	
	<b>418.28</b>	<b>494.64</b>	
<b>35 Depreciation and Amortization</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Depreciation	630.57	623.40	
Amortization	6.82	6.03	
	<b>637.39</b>	<b>629.43</b>	
<b>36 Other Expenses</b>			
	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>	
Consumption of Stores & Spares	240.18	243.95	
Freight, Octroi & Cartage	493.53	629.84	
Power and Fuel	1,741.77	1,913.13	
Electricity & Water Charges	26.19	24.96	
Advertisement, Publicity & Selling expenses	127.64	108.77	
Printing, Stationery, Postage, Telephone & Telex	42.90	61.69	
Rent	77.59	118.53	
Repairs & Maintenance			
- Building	13.50	15.44	
- Machinery	57.61	64.34	
- Others	40.89	41.10	
Insurance	31.56	30.37	
Rates & Taxes	23.38	15.34	
Commission	7.12	17.03	
Conveyance & Travelling expenses	170.88	205.07	
Legal & Professional Fees	113.88	62.39	
Payment to Auditors (Refer details below)	28.02	20.94	



Exchange Rate Fluctuation (Net)	74.69	33.25
Donations	0.67	0.67
Director's Sitting fees	0.40	0.40
Sales Tax Additional Demand	8.92	4.45
Bad debts written off	30.76	7.44
Loss on revaluation of Investments	1.36	3.58
Advances written off	0.38	2.00
Wages Contractors	605.21	708.49
Security Expense	87.22	87.26
Hire Charges	3.36	4.62
Miscellaneous expenses	50.41	40.33
Job work/Processing charges	75.41	154.64
<b>Total Other Expenses</b>	<b>4,175.43</b>	<b>4,620.02</b>

<b>Payment to Auditors</b>	<b>Statutory Auditors</b>	<b>Statutory Auditors</b>
Audit Fees		
Statutory Audit Fees	5.20	5.20
Limited Review Fee	5.52	6.44
for Taxation matters	6.30	6.30
Management & Other Services	11.00	3.00
<b>Total Payment to Auditors</b>	<b>28.02</b>	<b>20.94</b>

<b>37 Earning per share (EPS)</b>	<b>2019-20</b>	<b>2018-19</b>
The following reflects the basic and diluted EPS computations :		
<b>Total operations for the year</b>	<b>(Rs. in lakhs)</b>	<b>(Rs. in lakhs)</b>
Net Profit/(Loss) for allocation of basic EPS	(1,114.88)	(486.44)
	<b>(No. in lakhs)</b>	<b>(No. in lakhs)</b>
Weighted average number of equity shares in calculating basic EPS	168.35	168.35
Basic Earning per share (Rs.)	<b>(6.62)</b>	<b>(2.89)</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>(6.62)</b>	<b>(2.89)</b>

<b>38 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)</b>	<b>(Rs. in lakhs)</b>	<b>(Rs. in lakhs)</b>
	<b>21.59</b>	<b>42.23</b>

<b>39 Contingent Liabilities</b>	<b>(Rs. in lakhs)</b>	<b>(Rs. in lakhs)</b>
In respect of guarantees executed by Banks against lodgment of counter guarantees of the Company	<b>74.45</b>	159.31
* Provided by way of Margin Money Rs. 18.61 lakhs (Previous Year Rs. 39.83 lakhs)		
In respect of demands for Excise Duty *	<b>367.37</b>	378.23
* 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 supplier 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.  Current year Nil (for previous year Asst. Commissioner of Central excise issued notice for Rs 21221/- for interest payment on reversed the cenvat amount against Rm& packing material destroyed in fire incident .point taken in EA 2000 Audit . REPLY SUBMITTED ON 27.08.2015 TO ASSTT COMM CENTRAL EXCISE.)  Current year Nil ( for previous year Asst. Commissioner of Central excise rejected our remission application submitted 20.04.2015 for damaged of FG in Fire of Rs. 7,22,122/- . REPLY FOR THAT SUBMITTED ON 27.04.17).		

Current year Nil (for previous year The Superintendent of Central Excise Baddi has issued show cause notice for reversal of cenvat credit taken on capital goods of Rs. 2,83,049/- on 28.12.16. Reply for that submitted to the Superintendent of Central Excise Baddi).			
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.			
In respect of sales Tax *		-	24.69
Current year Nil (for previous year In respect of assessment order for the year 2009-10 of its unit at Pant Nagar of Rs. 19,21,266/- (CST & VAT demand))			
Current year Nil (for previous year In respect of assessment order for the year 2010-11 of its unit at Pant Nagar of Rs. 5,47,435/- (CST & VAT demand))			

<b>40 Value of Imports calculated on CIF basis</b>			
Raw Materials		2,595.93	3,535.47
<b>41 Expenditure in foreign currency (accrual basis)</b>			
Travelling and conveyance		4.71	-
Professional Fee		-	6.29
Others		4.67	1.31
<b>42 Earnings in foreign currency (accrual basis)</b>			
Exports at F.O.B Value - Finished Goods		121.50	105.30

**43 The Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as under :**

Particulars	2019-20		2018-19	
	In Foreign Currency	Rs. in lakhs	In Foreign Currency	Rs. in lakhs
<b>Trade Receivable</b>				
USD	-	-	6,953	4.81
<b>Trade Payable</b>				
USD	1,116,014	841.14	1,325,663	917.89
EURO	-	-	10,152	7.89

<b>44 Imported and Indigenous Raw Materials, Components and Spare parts consumed</b>				
	% of Total Consumption	Value Rs. in lakhs	% of Total Consumption	Value Rs. in lakhs
<b>Raw Materials</b>				
Imported	36	2,948.23	34	3,723.36
Indigenously obtained	64	5,226.47	66	7,329.61
	100	8,174.70	100	11,052.97
<b>Spare parts &amp; Components</b>				
Imported	-	-	-	-
Indigenously obtained	100	240.18	100	243.95
	100	240.18	100	243.95

<b>45 Purchases are net of incentives received.</b>	
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<b>46 Related party disclosures</b>				
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				
MRK Shares & Stocks Pvt Ltd				

**47 Related party transactions**

<b>Key Management Personnel</b>				
<b>Remuneration paid</b>				
Mr Chand Seth		38.54		51.82
Mr Varun Seth		33.91		42.99
Mr Ramesh Mehra		10.44		12.12
<b>Loan taken</b>				
Mr Chand Seth		55.00		130.00
Mr Varun Seth		275.00		-
<b>Loan paid</b>				
Mr Chand Seth		-		50.00
Mr Varun Seth		115.00		-
<b>Outstanding payable</b>				
Mr Chand Seth		161.03		106.33
Mr. Varun Seth		161.43		0.85
Mr. Ramesh Mehra		0.79		0.83

**48 Relatives of Key Management Personnel**

<b>Remuneration paid</b>				
Mr Amit Seth		23.90		26.89
Mr Udit Seth		23.90		26.89
<b>Rent paid</b>				
Theta Investments Pvt Ltd		1.73		6.90
Mrs Suneeta Seth		12.00		12.00
<b>Outstanding Payable</b>				
Mr. Amit Seth		1.23		1.31
Mr. Udit Seth		1.23		1.31
Mrs Suneeta Seth		1.08		1.08

**Related parties where control exists**

<b>Outstanding Receivable</b>				
Theta Investments Pvt Ltd		0.10		-

**49 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		45.27		45.56
II. Employer's Contribution to Superannuation Fund		13.88		15.20
III. Employer's Contribution to Employees' Pension Scheme		40.36		46.52
IV. Employer's Contribution to Employees' State Insurance Scheme		18.25		25.70
<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%		7.75%
b) Rate of increase on compensation levels/escalation in salary		5.00%		5.00%
c) Expected rate of Return on Plan Assets		7.00%		7.75%
d) Expected Average remaining working lives of employees in number of years		17 yrs		17 yrs

	Gratuity (Funded) 31.03.2020 Rs. in lakhs	Leave Encashment 31.03.2020 Rs. in lakhs	Gratuity (Funded) 31.03.2019 Rs. in lakhs	Leave Encashment 31.03.2019 Rs. in lakhs
<b>Changes in the Present Value of Obligation</b>				
Present value of Obligation as at 1 <sup>st</sup> April, 2019	305.03	79.68	307.09	79.38
Interest Cost	21.35	5.58	23.80	6.15
Past Service Cost	-	-	-	-
Current Service Cost	22.62	13.02	22.31	14.24
Benefits Paid	(20.70)	(18.59)	(42.99)	(26.60)
Actuarial Loss/(Gain)	(27.88)	(4.97)	(5.19)	6.51
Present value of Obligation as at 31 <sup>st</sup> March, 2020	300.42	74.72	305.03	79.68
<b>Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as at 1 <sup>st</sup> April, 2019	29.15	-	34.05	-
Expected Return on Plan Assets	2.04	-	2.64	-
Actuarial Loss/(Gain)	(0.73)	-	(1.55)	-
Employers' Contribution	23.12	-	36.99	-
Benefits Paid	(20.70)	-	(42.99)	-
Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2020	32.88	-	29.15	-
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2020</b>				
Insurance Policies	32.88	-	29.15	-
<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, 2020	300.42	74.72	305.03	79.68
Fair Value of Funded Plan Assets as at 31st March, 2020	32.88	-	29.15	-
Present value of Unfunded Obligation as at 31st March, 2020	267.54	74.72	275.87	79.68
Unrecognized past service cost	-	-	-	-
Unrecognized actuarial (Gain)/Losses	-	-	-	-
Unfunded Net Liability recognized in the Balance Sheet	267.54	74.72	275.87	79.68
<b>Expenses recognized in the Profit &amp; Loss Account</b>				
Current Service Cost	22.62	13.02	22.31	14.24
Past service Cost	-	-	-	-
Interest Cost	21.35	5.58	23.80	6.15
Expected Return on Plan Assets	(2.04)	-	(2.64)	-
Total Expenses recognized in profit and loss a/c	41.93	18.60	43.47	20.39
<b>Other comprehensive (income) / expenses (Remeasurement)</b>				
Cumulative unrecognized actuarial (gain)/loss as on 1st April 2019	(4.90)	-	(1.26)	-
Actuarial (gain)/loss - obligation	(27.88)	3.54	(5.19)	-
Actuarial (gain)/loss - plan assets	0.73	(8.51)	1.55	6.51
Total actuarial (Gain)/Loss	(27.15)	(4.97)	(3.63)	6.51
Cumulative total actuarial (gain)/loss as on 31st March 2020	(32.05)	-	(4.90)	-

50 Details of dues to micro enterprises and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act 2006*	Particulars		March 31, 2020 Rs. in lakhs	March 31, 2019 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		2.97 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 enterprise development act.		Nil	Nil
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year		0.31	0.10
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.

- 51 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
- 52 During the year, Provision for Income Tax has been made on the basis of Income Tax Act, 1961.
- 53 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.
- 54 Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the widespread of virus, including countrywide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company in India have been scaled down from the end week of March 2020. The lockdown has adversely impacted the Company sales volume, mix and realizations. During the current quarter, such impact was limited only to the later part of March 2020. However, with the continuance of such lockdown during the first quarter of the financial year 2021, the Company operation remained adversely impacted. The Company continues to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations.
- 55 Previous Year figures have been regrouped/reclassified, wherever considered necessary to conform

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

SD/  
NARESH KHANNA  
Partner  
Membership No. 081482  
Place: New Delhi  
Dated: 31st July, 2020  
UDIN: 20081482AAAABA6854

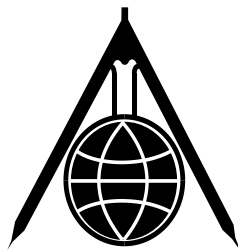
On Behalf of the Board

SD/  
CHAND SETH  
Chairman & Managing Director  
DIN-00002944

SD/  
VARUN SETH  
Whole Time Director  
DIN-00017552

SD/  
DINESH KUMAR TAK  
Chief Financial Officer  
M.No.403873

SD/  
Vineet Gupta  
Company Secretary  
M.No.47642



**PEARL**

**PEARLPET<sup>®</sup>**

**REGISTERED OFFICE**

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