POLYPLEX

August 7, 2020

The Manager - Listing Department, National Stock Exchange of India Limited, Exchange Plaza, NSE Building, Bandra Kurla Complex, Bandra East, Mumbai- 400 051 **SYMBOL : POLYPLEX**	The General Manager - Listing Department, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 **BSE Scrip Code : 524051**

Dear Sir(s),

Ref: REGULATION 34 of SEBI (LODR) Regulations, 2015

Sub : Furnishing of Annual Report for the Financial Year 2019-20 and Notice of 35th Annual General Meeting

Please find enclosed herewith a copy Annual Report for the Financial Year 2019-20 and Notice convening the 35th Annual General Meeting of the Company to be held on Monday, August 31, 2020 at 09.15 am. through video conferencing / Other Audio Visual Means.

We are also arranging to upload said Notice and Annual Report on the website of the Company i.e. www.polyplex.com

This is for your information.

Thanking you,

Yours faithfully,
For Polyplex Corporation Limited

Ashok Kumar Gurnani
Company Secretary

Email : akgurnani@polyplex.com

Encl: as above

Notice

NOTICE is hereby given that the Thirty-fifth Annual General Meeting of the Members of Polyplex Corporation Limited will be held on Monday, August 31, 2020 at 9.15 a.m. to transact the following business through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility:

ORDINARY BUSINESS

1. To receive, consider and adopt: (a) Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Auditors' and Directors' thereon; and (b) Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Report of Auditors' thereon and if thought fit to pass, with or without modification(s), the following resolution(s) **as Ordinary Resolution(s)**:

   a) "RESOLVED THAT the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Auditors' and Directors' thereon, be and are hereby received, considered and adopted."

   b) "RESOLVED THAT the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Report of Auditors' thereon, be and are hereby received, considered and adopted."

2. To declare Final dividend for the Financial Year 2019-20 and if thought fit to pass, with or without modification(s), the following resolution **as an Ordinary Resolution**:

   "RESOLVED THAT a Final dividend at the rate of ₹ 6.00 (Rupees Six) per Equity Share of face value of ₹ 10.00 (Rupees Ten), as recommended by the Board of Directors of the Company, be and is hereby declared for the Financial Year ended March 31, 2020."

3. To appoint a Director in place of Mr. Sanjiv Chadha (DIN : 00356187) who retires by rotation and being eligible, offers himself for re-appointment and if thought fit to pass, with or without modification(s), the following resolution **as an Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mr. Sanjiv Chadha (DIN : 00356187), who retires by rotation at this meeting and being eligible having offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act'), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Mr. Ranjit Singh (DIN: 01651357), Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for the second term of five consecutive years with effect from May 12, 2021 to May 11, 2026."

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

   "RESOLVED THAT pursuant to Article 120 of the Articles of Association of the Company, provisions of Section 197, other applicable provisions of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification (s) or re-enactment thereof, for the time being in force) Mr. Sanjiv Saraf, Non-Executive Chairman of the Company be paid remuneration by way of commission not exceeding in the aggregate 1% (One percent) per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for the Financial Year 2020-21, as may be determined by the Board, in addition to the sitting fees being paid by the Company/ its subsidiary(ies) for attending the Board/ Committee Meetings and remuneration from its subsidiary(ies)."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of ₹ 3,50,000/- excluding applicable taxes and reimbursement of actual out of pocket expenses, payable to M/s. Sanjay Gupta & Associates, Cost Accountants, (Firm Registration No. 000212), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year 2020-21, be and is hereby approved and ratified."

By Order of the Board
For Polyplex Corporation Limited

Sd/-
Ashok Kumar Gurnani
Company Secretary
FCS-2210

Date : July 20, 2020
Place : NOIDA

Regd. Office: Lohia Head Road,
Khatima - 262308,
Distt. Udham Singh Nagar,
Uttarakhand

NOTES :

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 5, 2020, and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, companies are permitted to hold their AGM through Video Conferencing/Other Audio Visual Means without the physical presence of the Members at common venue. The deemed venue for the 35th AGM shall be the Registered Office of the Company.

2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the Annual General Meeting of the Company is being conducted through VC/OAVM hereinafter called as "e-AGM".

3. **e-AGM:** Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and attendant enablers for conduct of the e-AGM.

4. Pursuant to the provisions of the aforesaid circulars of MCA on the VC/OAVM(e-AGM):

   (a) Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required

   (b) Appointment of proxy to attend and cast vote on behalf of the member is not available.

   (c) Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

6. Up to 1000 members will be able to join on a First cum first served basis to the e-AGM.

7. No restrictions on account of First cum first served entry into e-AGM in respect of 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.

8. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

10. The Register of Members and Share Transfer Books of the Company will remain closed from **August 27, 2020 to August 31, 2020** (both days inclusive).

11. All documents referred to in the accompanying Notice and the Explanatory Statement and other statutory register will be available for inspection during the AGM. Members may access the same by writing to the Company at its email id investorrelations@polyplex.com.

12. The dividend declared at the meeting will be made payable on or after **August 31, 2020** to those Members, whose names are on the Register of Members as Beneficial Owners as at the end of business on **August 26, 2020** as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and to Members in the Register of Members of the Company after giving effect to valid share transfers/transmission/transposition in physical form lodged with the Company on or before **August 26, 2020**.

13. Pursuant to the changes made to Income Tax Act, 1961 by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS")/ withholding tax from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. To enable the Company to comply with the TDS requirements, Members are requested to complete and / or update their Residential Status, Income Tax PAN, Category as per the Income Tax Act, 1961 with their Depository Participants and in case shares are held in physical form send their self attested/ notarized documents to the Company at B-37, Sector-1, NOIDA, Uttar Pradesh-201301.

I. For Resident Shareholders:

For resident shareholders, generally, the tax will be deducted at source under Section 194 of the Act @ 7.5% (Refer note below) on the amount of dividend, provided a valid Permanent Account Number ('PAN') is provided by the shareholder. If PAN is not submitted, tax would be deducted @ 20% as per Section 206AA of the Act.

a. Resident individual shareholders: No tax shall be deducted on the dividend payable to resident individuals, if –

i. Total dividend to be distributed or paid or likely to be distributed or paid by the Company to the shareholder during the Financial Year 2020-21 does not exceed ₹ 5,000/-;

ii. The shareholder provides a written declaration in prescribed Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), subject to eligibility conditions being met. As per Section 206AA of the Act, the declaration would not be valid if it does not contain PAN of the person making the declaration. If the recipient makes a declaration without his / her PAN, TDS would be deducted @ 20% as per Section 206AA of the Act.

Click here to download - 15H

Click here to download - 15G

b. Resident Shareholders other than individuals: In case of a certain class of resident shareholders other than individuals who are covered under provisions of Section 194 or Section 196 or Section 197A of the Act, no tax shall be deducted at source ('NIL rate'), provided sufficient documentary evidence thereof, along with exemption notification, if any, as per the relevant provisions of the Act, to the satisfaction of the Company, is submitted. This illustratively includes providing the following:

i) Insurance Companies: Public & other insurance companies: a declaration that it has a full beneficial interest with respect to the shares owned by it along with a self-attested copy of PAN card.

ii) Mutual Funds: Self-declaration that they are specified and covered under Section 10 (23D) of the Act along with a self-attested copy of PAN card and registration certificate.

iii) Alternative Investment Fund ('AIF'): AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the Act and they are governed by SEBI Regulations as Category I or Category II AIF along with a self-attested copy of the PAN card and registration certificate.

iv) Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income: Self-declaration specifying the specific Central Act under which such corporation is established and that their income is exempt under the provisions of the Act along with a self-attested copy of the PAN card and registration certificate.

v) Other Resident Non Individual Shareholders: Shareholders who are exempted from the provisions of TDS as per Section 194 of the Act and who are covered under Section 196 of the Act shall also not be subjected to any TDS, provided they submit an attested copy of the PAN along with the documentary evidence in relation to the same.

Application of Nil rate at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by such shareholders. Notwithstanding anything contained above, in case where the shareholders provide a certificate under Section 197 of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered, based on submission of self-attested copy of the same.

II. Non-Resident Shareholders or Foreign Companies ('Non-resident payee')

a) Tax is required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1960 at applicable rates in force. As per the said provision, the tax shall be withheld @ 20% plus applicable surcharge and cess on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident payee has the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with Multilateral Instrument ('MLI'), if applicable, between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the DTAA benefits read with MLI (if applicable), the non-resident shareholder will have to provide certain documents, namely:

- Self-attested copy of PAN Card, if any, allotted by the Indian Income Tax authorities;
- Self-attested copy of Tax Residency Certificate ('TRC') obtained from the tax authorities of the country of which the shareholder is resident, valid as on date of payment;
- Self-declaration in Form 10F. if all the details required in this form are not mentioned in the TRC;
- Self-declaration by the non-resident payee containing such particulars/ confirmation as would be relevant to be governed by and/ or avail benefits, if any, under the applicable DTAA read with MLI

  Click here to download - 10F

  Click here to download - Self declaration

Application of beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts will depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident payee. If required, the documents may further be corroborated by supportings such as opinion from an accounting firm or a law firm which categorically confirms the eligibility of the shareholder to obtain DTAA benefits particularly pertaining to the lower rate of taxation of dividends prescribed under the specific article of the DTAA read with MLI.

b) **Dividend paid to Foreign Institutional Investors ("FII") and Foreign Portfolio Investors ("FPI") -** The tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to FII and FPI. For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FII and FPI since the provisions of the Act do not provide so;

c) **Tax resident of any notified jurisdictional area -** Where any shareholder is a tax resident of any country or territory notified as a notified jurisdictional area under Section 94A(1) of the Act, tax will be deducted at source at the rate of 30% or at the rate specified in the relevant provision of the Act or at the rates in force, whichever is higher, from the dividend payable to such shareholder in accordance with Section 94A(5) of the Act.

Notwithstanding anything contained above, in the case where the shareholders provide a certificate under Section 197 of the Act for lower / NIL withholding of taxes, the rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

III. Shareholders Having Multiple Accounts Under Different Status / Category:

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

To enable us to determine the appropriate TDS / withholding tax rate applicability, the aforementioned documents are required to be uploaded with the Registrar and Share Transfer Agent viz. KFin Technologies Private Limited ("RTA") at https://ris.kfintech.com/form15 not later than August 17, 2020. No communication on the tax determination / deduction shall be entertained thereafter. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents on time, you would still have an option of claiming refund of the higher tax paid at the time of filing your Income Tax return. TDS certificate will be emailed to you at your registered email ID in due course, post payment of dividend. *We also request you to register your email IDs, mobile numbers and update your bank account details with your Depository Participant for receiving electronic credit of dividends directly into your bank accounts, in case you are holding shares in electronic form or with the RTA in case of holdings in physical form.*

14. Pursuant to Section 124(5) of the Companies Act, 2013, amount of unpaid / unclaimed dividends upto Financial Year 2011-12 has been transferred to Investor Education and Protection Fund (IEPF) (established by the Government of India). In respect of these transfers no claim lies against the Company.

15. Any money transferred to Unpaid Dividend Account of Company in pursuant to Section 124(5) and remaining unclaimed for a period of seven years from the date of such transfer, are required to be transferred to the Investor Education and Protection Fund (IEPF) (established by the Government of India). Shareholders are advised in their

own interest to claim the unclaimed dividend for the Financial Year 2012-13 onward, details whereof are given hereunder failing which all unclaimed dividends shall be transferred to the IEPF within the time prescribed under the law.

Financial Year	Dividend	Dividend per share of the face value of ₹ 10/- each	Declared on/ Record Date
2012-13	30% Final	₹ 3.00	30.09.2013
2013-14	20% Final	₹ 2.00	29.09.2014
2014-15	25% Final	₹ 2.50	28.09.2015
2015-16	30% Final	₹ 3.00	29.09.2016
2016-17	30% Interim	₹ 3.00	14.11.2016
2016-17	40% Final	₹ 4.00	11.09.2017
2017-18	50% Interim	₹ 5.00	14.11.2017
2017-18	300% Second Interim (Special)	₹ 30.00	30.05.2018
2017-18	50% Final	₹ 5.00	29.09.2018
2018-19	100% Interim	₹ 10.00	14.11.2018
2018-19	310% Second Interim (Special)	₹ 31.00	17.05.2019
2018-19	100% Final	₹ 10.00	05.09.2019
2019-20	110% Interim	₹ 11.00	14.11.2019

The Company has uploaded the details of unpaid/unclaimed dividend lying with the Company on the website of the Company (www.polyplex.com) and on the website of the Ministry of Corporate Affairs (MCA) along with Form IEPF-2.

16. Transfer of Unclaimed Shares to Investor Education and Protection Fund : Pursuant to Section 124(6) of the Companies Act, 2013 and the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the 'Rules') notified by the Ministry of Corporate Affairs (MCA), as amended, all shares in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund (IEPF).

    During the year, public notice in newspapers and individual notices were sent to the concerned shareholders whose shares were liable to be transferred to IEPF under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority have also been uploaded on Company's website at www.polyplex.com.

    These shares will be transferred to the IEPF Account in due course of time.

    During the Financial Year 2019-20, pursuant to Compliance of the said Rules, Company has transferred 8,781 Equity Shares to the IEPF. As on date, 2,20,244 Equity Shares are lying with IEPF Authority.

17. Members are requested to update their mobile nos. and e-mail addresses with the Company/Registrar & Transfer Agent and Beneficial Owners of shares are requested to update their mobile nos. and email addresses with their respective Depository Participants for receiving the Report and Accounts, Notices etc. in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India.

    Members holding shares in physical form are requested to notify to the Company or its Registrar and Share Transfer Agent viz. KFIN Technologies Private Limited, Hyderabad for change/ correction in their address, updation of their Income Tax PAN Number, Bank Account details and email id etc. quoting their folio number.

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

18. Nomination Facility : Section 72 of the Act, extends the nomination facility to individual shareholders of the Company. Therefore, shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH-13, (available on Company's website www.polyplex.com) which may be downloaded from the website of the Company. However, in case of shareholding in demat account, the shareholders should approach their respective Depository Participants for making nominations.

19. Details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2, in respect of Directors seeking appointment/ reappointments at the AGM are separately annexed hereto.

20. Remote e-Voting : Pursuant to Section 108 of the Act read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in this Notice. The Company has fixed August 26, 2020 as "cut-off" date to record the entitlement of shareholders to cast their vote on the agenda items of the 35th Annual General Meeting (AGM). E-voting on the agenda items of the AGM will take place from August 28, 2020 to August 30, 2020. Members who cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again. Members as on aforesaid cut-off date who are unable to cast their vote electronically would be entitled to cast their vote at the AGM. A separate enclosure, which forms an integral part of this Notice, giving detailed procedure and instructions for remote e-voting is enclosed.

Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their email address and mobile nos. including address and bank details may please contact and validate/ update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited in case shares are held in physical form.

2. Shareholders who have not registered their email address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User Id and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

3. Shareholders may also be requested to visit the website of the Company www.polyplex.com or the website of the Registrar and Transfer Agent https://evoting.karvy.com/public/Downloads.aspx for downloading the Annual Report and Notice of the e-AGM.

4. Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at https://emeetings.kfintech.com/ under shareholders/members login by using the remote evoting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected. Please note that the members who do not have the User Id and Password for e-Voting or have forgotten the User Id and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

3. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ raise queries on the official business during the AGM, may please log into https://emeetings.kfintech.com and click on the tab 'Post Your Queries' to post their queries/views/questions in the window provided therein by mentioning their e-mail id and mobile number. The window for posting queries/questions/ views will remain open from 9.00 am on August 28, 2020 till 5.00 pm on August 29, 2020.

6. Members who wish to speak at the AGM may log into https://emeetings.kfintech.com and click on the tab "Speaker Registration" by mentioning their e-mail id, mobile number and city. The speaker registration will commence at 9.00 am on August 28, 2020 and close at 5.00 pm on August 29, 2020.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act)

Item No. 4

Mr. Ranjit Singh is an Independent Director of the Company. He holds the office of Independent Director for a period of five consecutive years for a term upto May 11, 2021 (“first term”), as approved by the Members of the Company in their 31st Annual General Meeting held on September 29, 2016. He is a member of the Corporate Social Responsibility Committee of the Company.

The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 signifying intention to propose Mr. Ranjit Singh as a candidate for the office of Independent Director of the Company. Mr. Ranjit Singh has confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Ranjit Singh as an Independent Director for the second term of five consecutive years i.e. from May 12, 2021 to May 11, 2026 on the Board of the Company.

In the opinion of the Board of Directors of the Company, Mr. Ranjit Singh fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management and possesses appropriate skills, experience and knowledge. The Board considers that it would be beneficial and desirable in the interest of the Company, to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ranjit Singh as an Independent Director on the Board of the Company for a second term of five consecutive years i.e. from May 12, 2021 to May 11, 2026. Copy of the draft letter of appointment proposed to be issued to Mr. Ranjit Singh setting out the terms and conditions of his appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Sundays and public holidays.

Pursuant to Secretarial Standards on General Meetings, the summary of performance evaluation of Mr. Ranjit Singh is as follows:

Reappointment of Mr. Ranjit Singh will help in bringing judgment on the Board of Directors’ deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct. He participates constructively and actively in the meetings of the Board / Committees of the Board in which he is a member.

Mr. Ranjit Singh is interested in this resolution. Relatives of Mr. Ranjit Singh may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors recommends the Special Resolution as set out at Item No. 4 of the accompanying Notice for approval of the Members

Item No. 5

Mr. Sanjiv Saraf is Promoter-Director & Chairman of the Company and is not holding any executive position in the Company. Your Company benefits immensely from his expertise, vision in business and industry and it is proposed to remunerate him by way of payment of commission not exceeding one percent of Net Profits of the Company for Financial Year 2020-21.

In Compliance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors on the recommendations of Nomination and Remuneration Committee of the Company, have approved, subject to such statutory approvals, as may be necessary, payment of commission to be paid to Mr. Sanjiv Saraf, Non-Executive Chairman of the Company, not exceeding one per cent per annum of the Net Profits of the Company for the Financial Year 2020-21 calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, which shall be in addition to the sitting fee payable for attending the meetings of the Board of Directors or any Committee thereof and remuneration from its subsidiary(ies).

Section 197 of the Companies Act, 2013 readwith Rules made thereunder SEBI (LODR) Regulations require a Special Resolution to be passed by the members of the Company in General Meeting for payment of remuneration by way of commission to any Non-Executive Director of the Company.

Except Mr. Sanjiv Saraf, none of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Your directors accordingly commend this resolution for the approval of the Members.

Mr. Sanjiv Saraf is interested in this resolution. Relatives of Mr. Sanjiv Saraf may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors recommends the Special Resolution as set out at Item No. 5 of the accompanying Notice for approval of the Members.

Item No. 6

The Board of Directors of the Company, on the recommendations of the Audit Committee, have approved appointment of M/s. Sanjay Gupta & Associates, Cost Accountants, New Delhi (Firm Registration No. 000212) as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at the remuneration provided in the said resolution.

As provided in Section 148 of the Act, read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of directors recommends the Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for approval of the Members.

By Order of the Board
For Polyplex Corporation Limited

Sd/-
Ashok Kumar Gurnani
Company Secretary
FCS-2210

Date : July 20, 2020
Place : NOIDA

Notes on Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and additional Information required by Secretarial Standard -2 (SS-2) issued by Institute of Company Secretaries of India is as under:

Particulars/ Names	Mr. Sanjiv Chadha	Mr. Ranjit Singh
Date of Birth	03-Sep-1956	14-Sep-1957
Date of Appointment	17-June-2005	12-May-2016
Qualification	B.Arch (IIT-KGP), M.S(Arch), Illinois, USA	B.E. (Mech.), PGDM (IIM-Ahm)
Expertise in specific functional areas	General Management	General Management
Directorship of other companies (excluding Foreign Companies and Section 8 Companies)	Nil	1. Aspirelabs Accelerator Private Limited 2. Legistify Services Private Limited 3. Shaily Engineering Plastics Limited 4. Coch Cocreate Change Private Limited 5. Crest Speciality Resins Private Limited
Chairmanship/ Membership of Committees of other Public Companies	N.A.	Shaily Engineering Plastics Limited Audit Committee - Member
Number of shares held in the Company in his own name	4000	N.A.
Number of Board Meetings attended during 2019-20	3 out of 6	5 out of 6
Remuneration drawn during Financial Year 2019-20	Sitting fees ₹ 1.5 Lacs	Sitting fees ₹ 4.00 Lacs
Directors' *inter se* relationship with other Directors /Key Managerial Personnel	Not related to any other Director or KMP	Not related to any other Director or KMP

PROCEDURE AND INSTRUCTIONS FOR E-VOTING (Remote e-voting)

The procedure and instructions for e-voting are as follows:

i) Open your web browser during the voting period and navigate to 'https://evoting.kfintech.com'

ii) Enter the login credentials (i.e., user-id & password) mentioned in email forwarded through the electronic notice. Your Folio No./ DP Client Id will be your User-Id.

User – Id	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP Id followed by 8 Digits Client Id b) For CDSL :- 16 digits beneficiary Id For Members holding shares in Physical Form:- • Event No. followed by Folio Number registered with the Company
Password	Your Unique password is mentioned in the email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

iii) After entering these details appropriately, click on "LOGIN".

iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **KFIN Technologies Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile number, email Id etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, system will prompt to select the E-Voting Event Number (EVEN)/'Event No.' for Polyplex Corporation Limited.

vii) If you are holding shares in Demat form and had logged on to "https://evoting.kfintech.com" and casted your vote earlier for any Company, then your existing login id and password are to be used.

viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) as on Cut-off date under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast the vote, he may select 'ABSTAIN'.

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

x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote or cast the vote again. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi) Corporate/Institutional Members (corporate/Fls/Flls/ Trust/Mutual Funds/Banks, etc.) are required to send scan (PDF format) of the relevant Board Resolution etc. to the Scrutinizer through e-mail at Contact@csrsm.com with a copy to evoting@kfintech.com. The file scanned image of the Board Resolution should be in the naming format "Polyplex_EVEN No. 5433".

xii) Members can cast their vote online from August 28, 2020 (from 9.00 a.m. IST) to August 30, 2020 (upto 5.00 p.m. IST). The e-voting module shall be disabled by KFIN Technologies Private Limited thereafter.

Notes:

a) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at download section of 'https://evoting.kfintech.com' or contact Mr. Rajkumar Kale of KFIN Technologies Private Limited, at 040-67161616 or at Tel. No. 1800-3454-001 (Toll free).

b) The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, as on the cut-off date, being Wednesday, August 26, 2020.

c) Any person who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of Annual General Meeting and holds shares as of the cut-off date i.e. August 26, 2020, may obtain the User-Id and password in the manner as mentioned below:

i) If the mobile number of the member is registered against Folio No./ DPID Client Id, the member may send SMS:

MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client Id to +91-9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXX1234567890

ii) If e-mail address or mobile number of the member is registered against Folio No. / DPID Client Id, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DPID Client Id and PAN to generate a password.

iii) Member may Call KFIN Technologies Private Limited Toll free number 1-800-3454-001

iv) Member may send an e-mail request to evoting@kfintech.com

v) If the member is already registered with KFIN Technologies Private Limited for e-voting, he can use his existing User-Id and password for casting the vote through e-voting.

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

e) The Board of Directors has appointed Mr. Ravi Sharma, failing him Mr. Mahesh Rastogi, failing him Ms. Suman Pandey, Partner of M/s. R S M & Co., Company Secretaries, New Delhi as Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same.

f) The Scrutinizer(s) shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company. The Scrutinizer(s) shall submit a consolidated Scrutinizers' Report of the total votes cast in favour or against, if any, not later than 48 (forty eight) hours of conclusion of the meeting to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or any other person authorized by him in writing shall declare the results of the voting forthwith.

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

h) The Results declared along with the Scrutinizers' Report shall be placed on the Company's website www.polyplex.com and on the website of RTA immediately after the results are declared by the Chairman or any other person authorized by him. The Company shall, simultaneously, forward the results to the concerned stock exchanges where its equity shares are listed.

Instructions for members for e-voting (Insta Poll) during the AGM session :

a) The e-voting "Thumb sign" on the left hand corner of the video screen shall be activated once the Insta Poll is announced at the AGM.

b) Members click on the "Insta Poll" icon to reach the resolution page and follow the instructions to vote on resolutions.

c) Only those members, who will be present in the AGM through VC/OAVM and have not casted their vote through remote e-voting are eligible to vote in Insta Poll.

Notes

Notes

Polyplex Corporation Limited

35th Annual Report 2019-20

POLYPLEX®

Growing with Purpose

Sustainably Creating Value

Board of Directors and Corporate Information

Board of Directors

Mr. Sanjiv Saraf
Chairman

Mr. Brij Kishore Soni

Mr. Jitender Balakrishnan

Ms. Pooja Haldea

Mr. Ranjit Singh

Mr. Sanjiv Chadha

Dr. Suresh Inderchand Surana

Mr. Pranay Kothari
Executive Director

Chief Financial Officer

Mr. Manish Gupta

Company Secretary

Mr. Ashok Kumar Gurnani

Registered office

Lohia Head Road, Khatima-262308
Distt: Udham Singh Nagar, Uttarakhand
Phone: 05943-250136
Fax: 05943-250281

Corporate office

B-37, Sector 1, NOIDA
Distt. Gautam Budh Nagar
Uttar Pradesh-201 301
Board: +91.120.2443716-19
Fax: +91.120.2443723 & 24

Works

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

Plot No 227 MI - 228 MI
Banna Khera Road Village
Vikrampur
Tehsil Bazpur-262 401
Distt: Udham Singh Nagar,
Uttarakhand

Auditors

S S Kothari Mehta & Company
Chartered Accountants

Bankers

Axis Bank Limited
DBS Bank India Limited
HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank
YES Bank Limited

Registrar and Share Transfer Agent (RTA)

KFin Technologies Private Limited
Selenium Building, Tower B,
Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana. India- 500 032
Tel: +91 40 6716 2222
Toll free no: 1800-3454-001
Fax: +91 40 2300 1153
Website: www.kfintech.com
Email ID: einward.ris@kfintech.com

Inside this year's Annual Report

For more than three decades, Polyplex has been driven by three key factors:

Passion

Discipline

Long Term

At Polyplex, we singularly focus on balancing growth with sustainability of earnings to consolidate our global leadership position. With our unique operating model, strategic positioning and well-rounded strengths, we have built a business platform which is difficult to replicate. Our well entrenched and enduring values relentlessly showcase our commitment to identify opportunities, improve performance seamlessly, foster a culture of excellence and growth – leading to sustainable creation of value for all the stakeholders.

Versatility and high performance of polyester film leads itself to a wide range of applications in both industrial & consumer staples and consumer discretionary sector

About Polyplex

Polyplex has the fifth largest capacity of Polyester (PET) films.

Headquartered in Delhi NCR, Polyplex was incorporated in 1984, and is among the leading manufacturing companies across various substrates of plastic films.

Our integrated manufacturing facilities are in close proximity to our customers, enabling us to sustain our robust operational processes and derive stable earnings.

Our capability to provide wide offering of specialty, innovative and value added products are the key enablers for outperformance.

6

Manufacturing plants

2,300

Employees (approx)

50.03

Promoter's shareholding
as on March 31, 2020 (in %)

381,837

Total Base Film Capacity (in MT per annum)
(including upcoming capacities)

Polyplex India

Polyplex Turkey

Vision

We envision to continuously grow and create value in all our businesses and establish global leadership in the plastic film business.

Mission

Our mission is to create value for our stakeholders through delivering profitable value to customers and maximizing their satisfaction.

Values

- **Seamless** - We leverage synergies across hierarchies, functions and locations.
- **Care** - We value our people and are committed towards their development. We build a long-term relationship with all our major stakeholders.
- **Ownership and Responsibility** - We honor our commitments towards all our stakeholders.
- **Excellence** - We improve our processes and encourage ideas which are new as well as better


Polyplex Thailand


Polyplex Indonesia

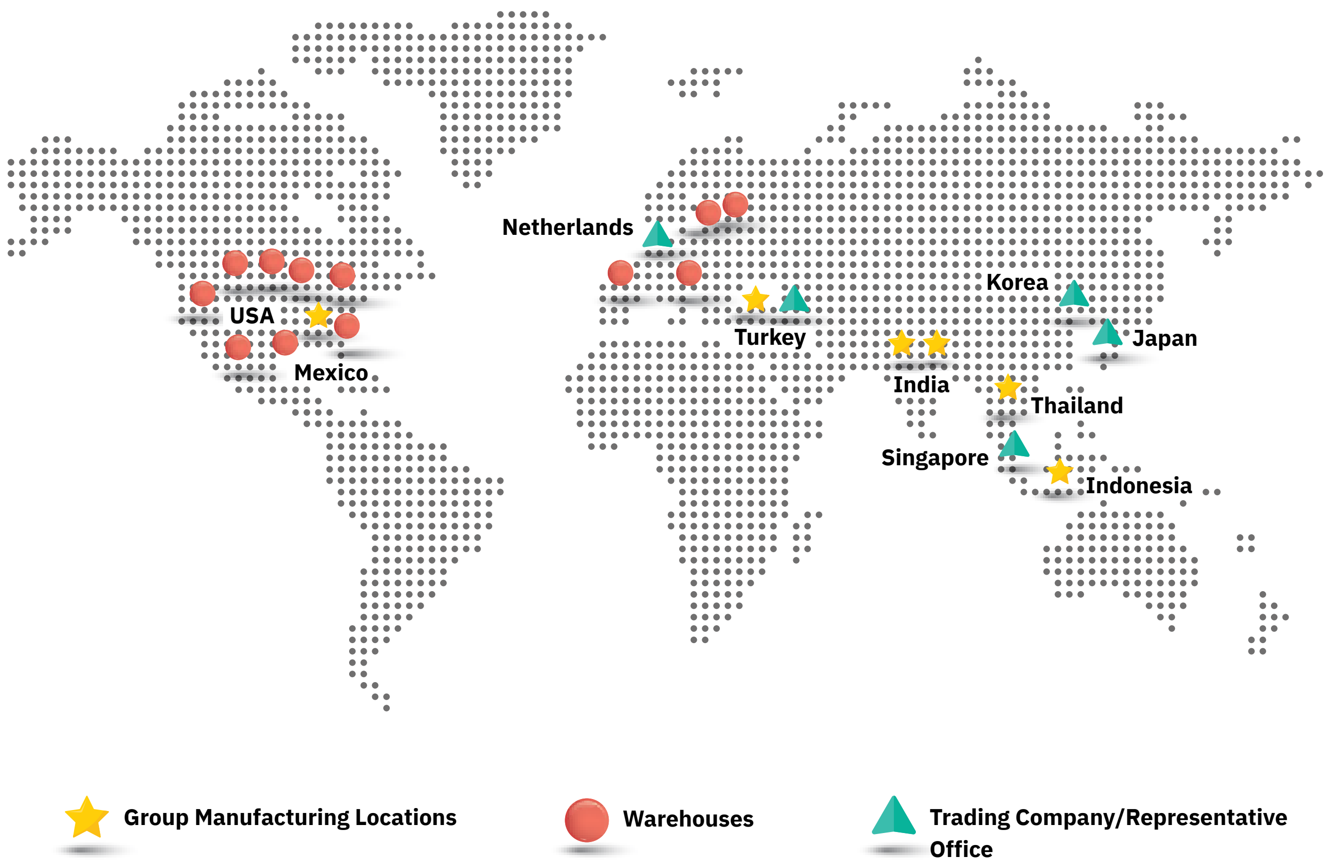

Polyplex US

Growing far and wide

Polyplex's extensive reach across the globe enables us to deliver products to customers in more than 80 countries.

Our ability to develop and grow our business in multiple geographies, driven by scale economies, operational excellence & vertical integration has led to our emergence as a global leader.

Countries Polyplex is present in

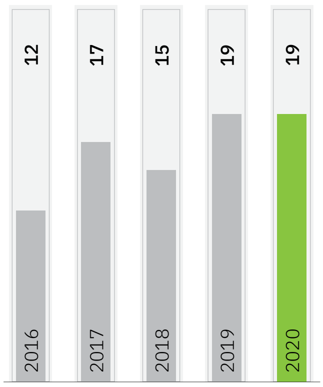


Sustaining growth

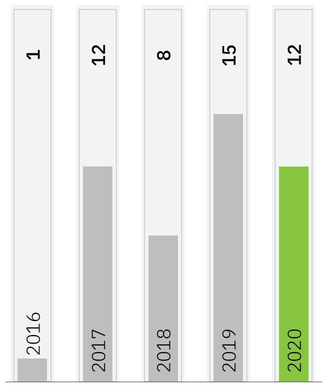
Consolidated

Revenue
(₹) in Lacs

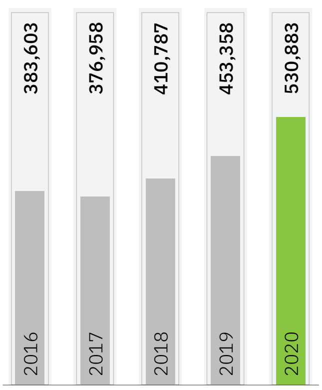
EBITDA Margin
(%)



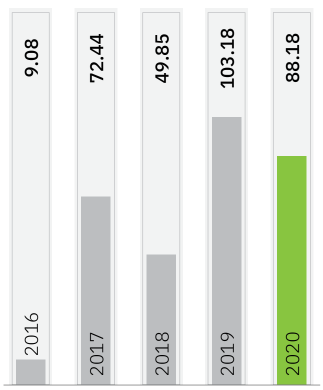
ROE
(%)



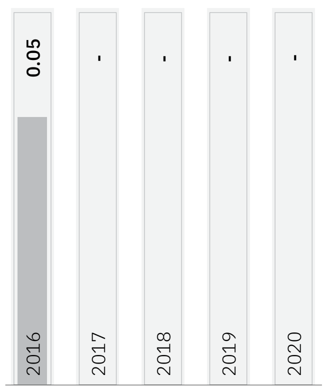
Gross Fixed Assets
(₹) in Lacs



Earnings per share
(₹)



Debt-Equity Ratio
(in times)



Notes:

1. Revenues = Total Revenue including other income.
2. EBITDA Margin as % of Sales & Other Income.
3. ROE (%) = PAT (Pre -Minority interest) as % to average equity incl. Minorities.
4. Gross fixed assets includes Capital Work in Progress.
5. Net Debt includes Long Term Debt + Short Term Debt + Current Portion of Long Term Debt - Cash & Bank Balance.
6. Equity includes Shareholders' Funds + Minority Interest.

Message from Chairman and CEO

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

Dear Valued Shareholders,

Dear Valued Shareholders,

The stability in earnings during the year under review has been accomplished through our long standing strategy of geographical and product diversification, portfolio expansion especially on the value added and specialty side as well as on-going initiatives on operational effectiveness.

The reported sales and other income were flat at ₹ 45.49 billion despite higher sales volume due to decline in selling prices induced by fall in raw material prices. The Operational EBITDA (profit before interest, tax, depreciation and exceptional items) was higher by 18% at ₹ 9.44 billion. Higher cash flows from operations and a strong & liquid Balance Sheet with negative leverage (net cash positive) provide financial flexibility to access growth opportunities.

The successful start-up of the Indonesia PET film greenfield project alongwith its associated metallizer / resin plant and a quick ramp-up is a major milestone and will favorably impact earnings for future besides consolidating our global leadership in the flexible packaging segment. Several ongoing smaller investments aimed at increasing our competitive edge with increasing share of specialty products and improving our productivity will provide further stimulus to our operations in the next 1-3 years.

The BOPP line under implementation, adjacent to the PET film line in Indonesia would help diversify the product offering, drive economies of scale and help mitigate challenges posed by concerns surrounding sustainability on our core business of PET films.

The robustness of our industry and Company's superior positioning is evident from the lack of any adverse impact of the Covid-19 global pandemic. Operations across all the Company's locations have remained largely unaffected and future business fundamentals remain strong. Flexible packaging segment, which constitutes a majority of our sales, has seen a surge in demand while industrial end use segment has seen some reduction, both of which would normalize over the medium term. Longer term implications related to importance of hygiene, higher home consumption, newer applications in PPE / hygiene related uses, de-globalization and preference for shorter supply chains etc would be broadly positive for the industry and the Company in particular with its distributed manufacturing base and global reach. In developing economies, a marked shift from consumption of unpackaged food to packaged food products is expected, driven by health and hygiene considerations.

The Covid-19 pandemic has also helped ease concerns around usage of plastics in flexible packaging with its proven benefits from hygiene, cost and low weight to package perspective. Flexible packaging, which is multilayered plastic constitutes about 5% of total plastic consumption globally and PET film in particular, is less than 1%. Flexible packaging is considered superior on various sustainability criteria vis-à-vis traditional packaging alternatives due to its inherent functional properties. The Company has been long involved in developing environment friendly and sustainable solutions, as an endeavor to contribute continuously and effectively towards global initiatives around sustainability and "circular" economy.

The Company has taken effective steps to safeguard its employees' health in the ongoing pandemic and also contributed to similar efforts in nearby communities at all its global plant locations.

On behalf of the Board, we would like to thank all the shareholders and other stakeholders including business partners and the employees of the Company for their continued support and efforts.

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

The successful start-up of the Indonesia PET film greenfield project alongwith its associated metallizer / resin plant and a quick ramp-up is a major milestone and will favorably impact earnings for future.

Board of Directors

Mr. Sanjiv Saraf
Chairman

Mr. Pranay Kothari
Executive Director

Mr. Sanjiv Chadha
Non-Executive Director

Mr. Brij Kishore Soni
Independent Director

Mr. Jitender Balakrishnan
Independent Director

Dr. Suresh Inderchand Surana
Independent Director

Mr. Ranjit Singh
Independent Director

Ms. Pooja Haldea
Independent Director

Management Team

India

Mr. Kapil Gupta
Profit Centre Head - India

Mr. Sunil Kumar
Corporate Head - HR

Mr. Manish Gupta
Chief Financial Officer

Mr. Rajpal Yadav *
Corporate Head - Projects

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

Mr. Manoj Agarwal
Corporate Expert - Resins

Mr. A.K. Gurnani
Company Secretary

Mr. Rakesh Kakkar
Sales & Marketing Head - India

Mr. Ravindra K. Gupta
Plant Head - India

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

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

* Currently stationed in Indonesia

Thailand, Indonesia & Turkey

Mr. Amit Prakash
Profit Centre Head - Thailand, Indonesia & Turkey

Mr. S.K. Jha
Operations Head - Thailand & Indonesia

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

Mr. Ramesh K. Gupta
Business Head - Saralam

Mr. Chakrit Srisamutnak
HR Head - Thailand

Mr. Tribhuwan Joshi
Plant Head - Turkey

USA

Mr. Amit Kalra
Profit Centre Head - USA

Mr. Ravi Singhal
Plant Head - USA

Mr. Bhavin R. Patel
Business Head - Saracote

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

Management Discussion and Analysis

I. Corporate Overview

In this document, the terms 'Company', 'Polyplex' and 'Group' refer to the consolidated operations of Polyplex Corporation Ltd.

Polyplex offers a wide range of plastic films across various substrates (PET (thin & thick), BOPP, CPP and Blown PP/PE). They are used in flexible packaging besides several and diverse industrial applications like release liners, tapes, labels, thermal lamination, imaging and graphics, photovoltaic and optical applications. Within the substrates, for its core business of polyester (PET) films, Polyplex has the fifth largest global capacity. PET film is a high performance film with a unique combination of qualities like high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness, clarity and recyclability. PET film is a versatile product with wide and growing range of applications. These diverse applications and product versatility leads to a constant pipeline of new product variations and applications thus reducing dependence on any one application or product.

Downstream businesses like metallizing, silicone coating, extrusion coating, holography and offline chemical coating have enabled Polyplex to offer products for a variety of applications - general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of other industrial applications. The Company also has non-tearable polyester film in India designed especially for digital print media segments. Recently, the Company has introduced Transfer Metallized Film/Paper which is commonly used for packaging of pharmaceutical, cosmetics, liquors, calendars, DVD inserts etc.

The plastic films business is quite different from a pure play commodity business like its precursor inputs like PTA, MEG, PP resins, due to a combination of several factors like:

a) The product is almost always "made to order" as contrasted with "made to stock".
b) Multiplicity of SKUs (based on unique combinations of length, width, thickness, surface treatment during process as well as downstream treatments and Core ID).
c) Fragmented customer base.
d) Quality and customer service also form important differentiators.
e) Geographical diversity in markets, key differentiators and buyer preferences.
f) Pricing is influenced by a host of factors as stated above besides import parity i.e. Logistics cost differentials and varying customs duties – both normal and trade defense measures like anti-dumping, countervailing and safeguard duties.

The above factors can create significant differences in regional price levels as well as between standard products and value added/specialty products.

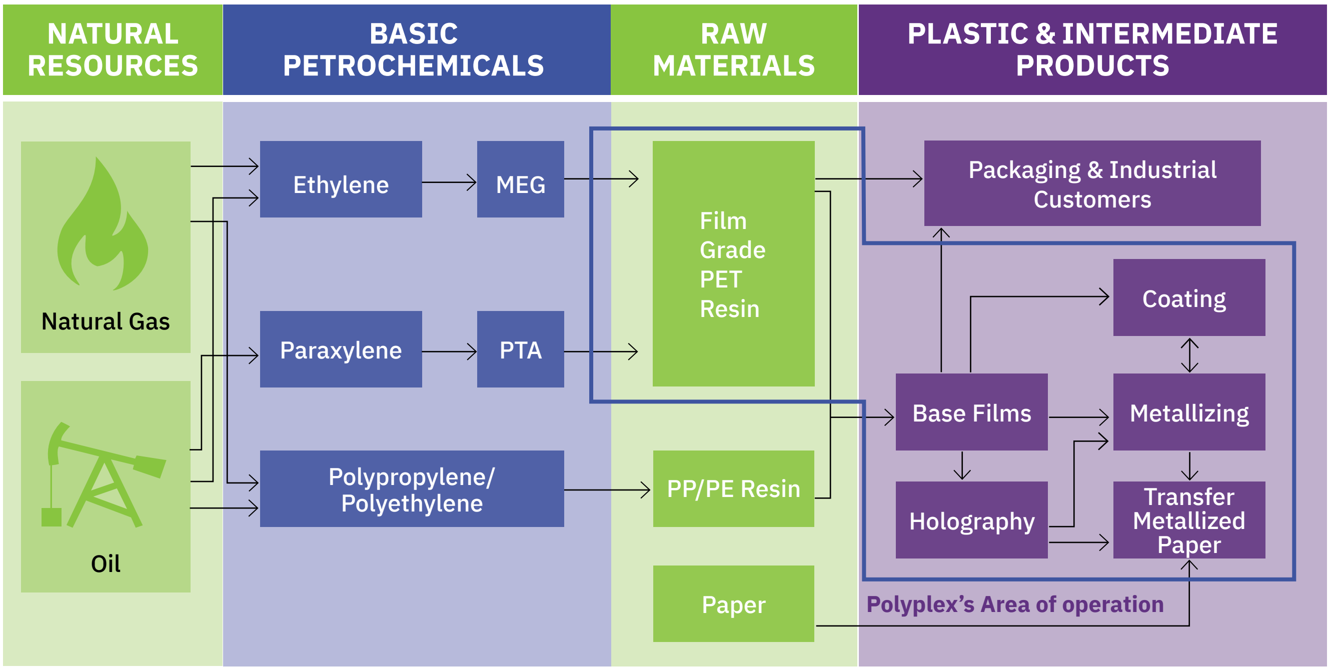
Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies lesser shelf space, generates relatively less waste and is the most cost-effective method for packaging. Better packaging not only improves the shelf life of products but is also essential for improving product appeal in a competitive consumer goods industry.

The Company believes that its unique model of on-shore, off-shore and near-shore business locations in combination with its other strengths like customer relationship, access & intimacy and wide offering of specialty, innovative and value added products shall continue to be the key enablers for outperformance and earnings stability.

There is an increasing concern by all stakeholders & environmental groups on usage of plastics in general with the focus being primarily on single-use plastics. Flexible packaging is mostly multi-layered and it results in a number of sustainability benefits. These include resource efficiency, reduced material to landfill, high product to package ratio, lower carbon footprint throughout the life cycle of packaging etc. The Company continuously strives to work on providing sustainable solutions (products, processes) as a commitment towards sustainable environment. The Company continues to invest in its recycling operation in Thailand which provides sustainable solutions for film-based process waste as well as post-consumer plastic waste.

PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). The Company produces its own PET resin.

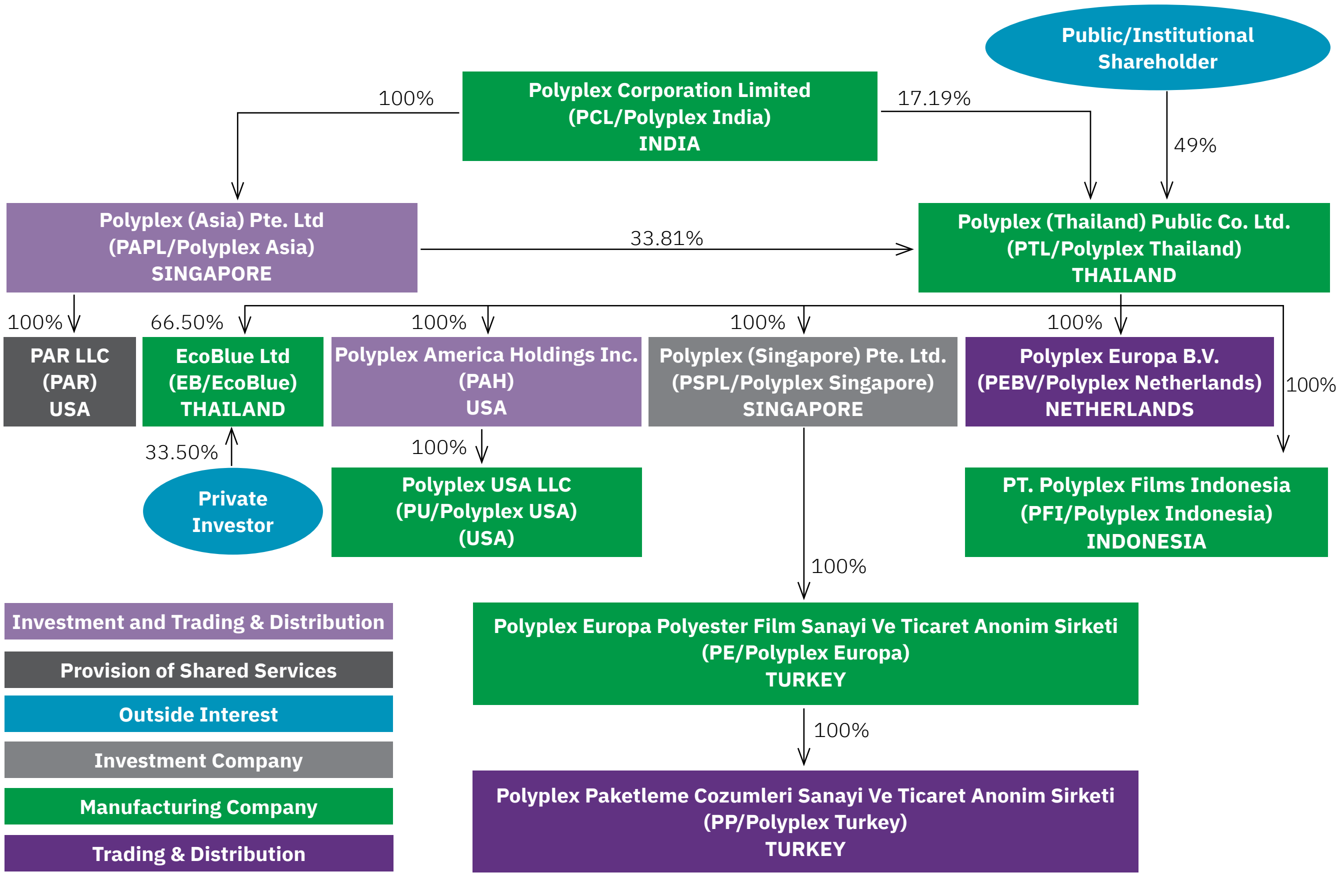
The value chain for the Company's main businesses is depicted below:



II. Global Operations

Polyplex is a global leader in the thin PET film business with manufacturing and distribution operations in six countries (India, Thailand, Turkey, USA, Indonesia and the Netherlands), along with additional warehouses in Poland, Spain, Germany, Italy and Mexico. The Indonesian plant commenced commercial operations in November, 2019.

Polyplex Group structure (as on June 30, 2020)



Note: Polyplex Trading (Shenzhen) Co. Ltd. (PTSL), China which was engaged in trading & distribution has been liquidated in June 2020.

Production Capacities

Manufacturing capacities of various locations:

Location	Resin		Base Film					Value Added Films			
	PET Film Resin (MT)	Recycled Resin (MT)	PET Thin (MT)	PET Thick (MT)	BOPP Film (MT)	CPP (MT)	Blown Film (MT)	Metallizer (MT)	Holography (MT)	Coating (Mn Sqm)	Transfer Metallized Paper (Mn Sqm)
India	77,600	-	55,000	-	35,000	-	-	33,600	4,080	257	83
Thailand	1,31,550	45,000	42,000	28,800	-	10,000	13,645	21,700	960	985	-
Turkey	75,850	-	58,000	-	-	-	4,392	17,700	480	320	-
USA	57,600	-	31,000	-	-	-	-	9,250	-	-	-
Indonesia	73,000	-	44,000	-	60,000	-	-	18,000	-	-	-
Polyplex Group	**4,15,600**	**45,000**	**2,30,000**	**28,800**	**95,000**	**10,000**	**18,037**	**1,00,250**	**5,520**	**1,562**	**83**

Notes:

1. Except Coated Films and Transfer Metallized Paper where the capacity is in Million SQM per annum, the capacity of all other product lines is in MT per annum.
2. The above table includes the projects under implementation which include Batch Resin Plant, Offline Coater & Blown Film line in Turkey, Metallizer in Indonesia and Batch Resin Plant, two Holography Lines & Blown Film Line in Thailand.
3. Recycled Resin comprises the capacity of Ecoblue, Thailand. It includes the on-going expansion into washing and recycling of post-consumer bottle flakes.

III. PET Film Industry Overview

The traditional segmentation of PET films has been thin and thick films based on distinct applications and lack of supply side substitutability. Thick films generally refer to films with a thickness range of 50-350 micron whereas films below 50 micron are characterized as thin film. In recent years, several intermediate thickness lines (with thickness ranging between 8-150 micron) have also been installed. The PET film industry has seen various structural changes over the years with Asia now dominating production and consumption. Film producers from Asia (mostly headquartered in India) have become major global players.

Polyplex has traditionally operated predominately in the area of thin PET films, which accounts for more than three-fourths of the overall global PET film demand. Higher growth in flexible packaging, relative to other applications has gradually shifted the production and usage patterns of thin PET films. The Company's relevant segments of packaging & industrial (including electrical) constitute almost 100% of the total thin film demand. The overall industry growth rate of PET Film has exceeded GDP growth in the past and is expected to continue so in the medium to long run.

Thin PET Film market

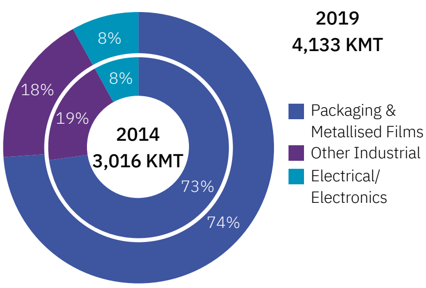
The largest application of thin PET films is flexible packaging, which accounts for 74% of the total thin film used. Flexible packaging plays a key role in source reduction based on the principle of 'use less packaging material in the first place'. This has resulted in higher-than-GDP growth in the global flexible packaging industry. PET film, being a higher-end preferred substrate within packaging, has grown more rapidly than other substrates, averaging around 7% per annum. Packaging demand is resilient as it is driven by the consumption of food products and consumer staples, usage of which are non-discretionary in nature, as is also evident in the ongoing Covid-19 pandemic. This packaging segment characteristic along with its principles of safety, hygiene and integrity has resulted in steady demand growth, despite recurring economic turbulence.

An increase in purchasing power in developing countries has been accompanied by a rise in per capita packaging material consumption. However, when compared with mature markets, per capita packaging material consumption in developing countries is still low.

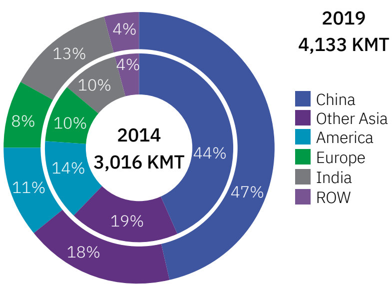
Asia is the largest market for thin PET films, accounting for around three-fourths of global consumption. Faster growing Asian demand is the main driving force in the global markets. Within Asia, India and China are the largest consumers.

A similar trend is also evident on the supply-side with most of the new capacities being installed in low-cost developing countries. A large proportion of the new capacity is focused on the packaging segment, with an emphasis on productivity and cost management. Some of these producers are now global leaders in terms of both volumes and pricing in the production of standard film. This has impacted traditional large producers of PET film operating with high cost structures, who have chosen to concentrate on niche technology oriented segments like films for Optical applications, solar panels and specific high-end applications within packaging. The high speed and productivity of the latest 10 meter+ wide lines (same as the Indonesia line of Polyplex) brings more cost competitiveness and may result in closure of some old and inefficient lines. While trade defense measures like anti-dumping and countervailing duties were invoked in the past, they were unable to address the problems of inefficient assets in developed countries producing standard films.

Global Thin PET Film demand by End Use

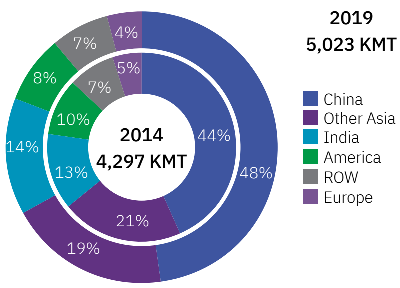


Global Thin PET Film demand by Region



-Other Asia excludes Middle Eastern countries

Global Thin PET Film capacity by Region

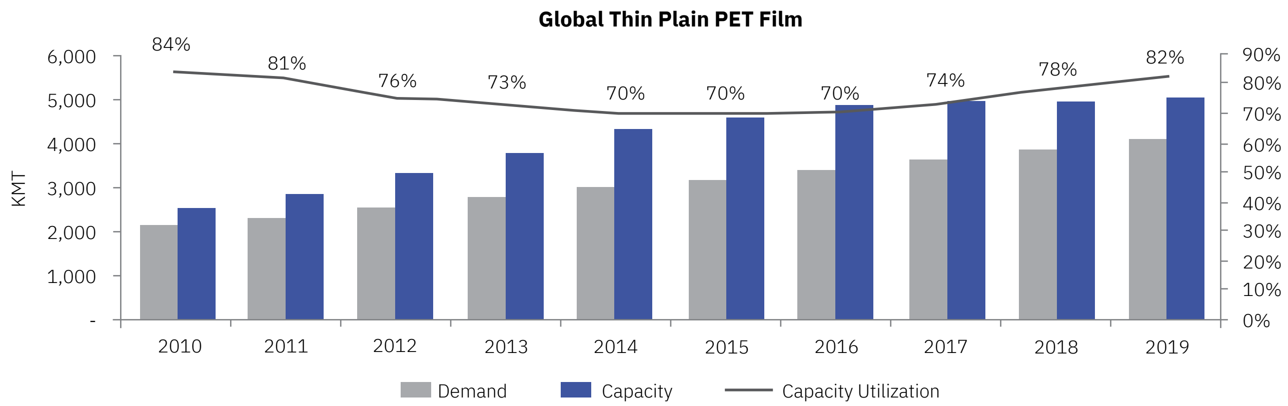


-Other Asia excludes Middle Eastern countries

Source: Updated Company estimates

Global thin PET film growth is expected at about 6%-7% for the next few years, with demand in India expected to continue growing at 8%-10%. Demand growth is expected to remain largely unaffected from the ongoing Covid- 19 pandemic. Companies with consistent quality products, diversified product portfolio, access to international customers and stronger supply chains stand a better chance of participating in market growth and delivering margins above the industry average.

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



Source: Updated Company estimates

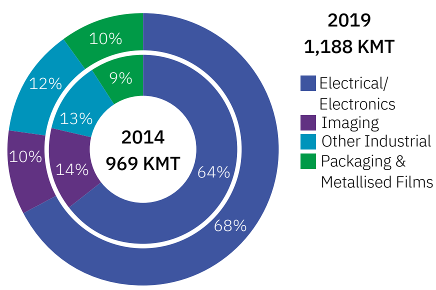
Over the last 2-3 years, there has been an improvement in the capacity utilization factor (CUF) due to slowdown in the pace of new capacity additions. Demand growth has been sustained, thereby resulting in improving CUF. Even though approx. 1 million ton of new capacity (more than 50% in China) is expected to be added by 2023, the industry CUF should remain within 78%-80% due to consistent growth in demand for consumer staples, deferment/delay in new capacity additions and expected closure/underutilization of older lines due to changing cost dynamics and impact of Covid-19.

Levels between 80%-90% can be considered high and close to the full producible capacity. In practice, some producers produce lower than the nameplate capacity as the assets are older and inefficient while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their expertise and experience.

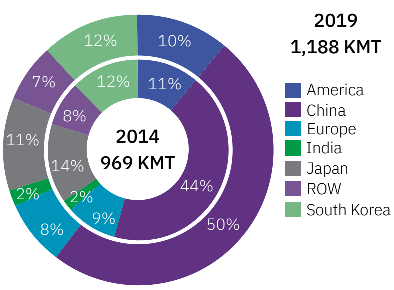
Thick PET Film market

The demand for thick PET film is concentrated in Asia, which accounts for around 80% of the global consumption. Electronics and electrical applications are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of around 4% over the past few years. Global growth has been apparent in all end use sectors with the exception of medical/other X-ray. Over the past few years, China has emerged as the largest market for thick PET films with a market share of 46%. Applications like Flat Screen panel, photovoltaic etc. are driving growth, which should help the industry continue to grow at a CAGR of about 3%-4% in the medium-term although there may a short to medium term contraction in demand due to the impact of Covid-19 pandemic.

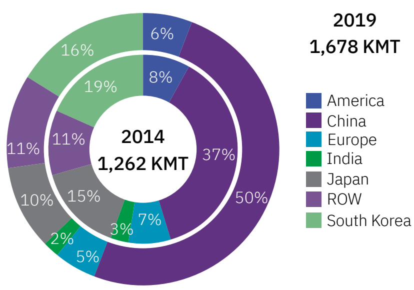
Global Thick PET Film demand by End Use



Global Thick PET Film demand by Region



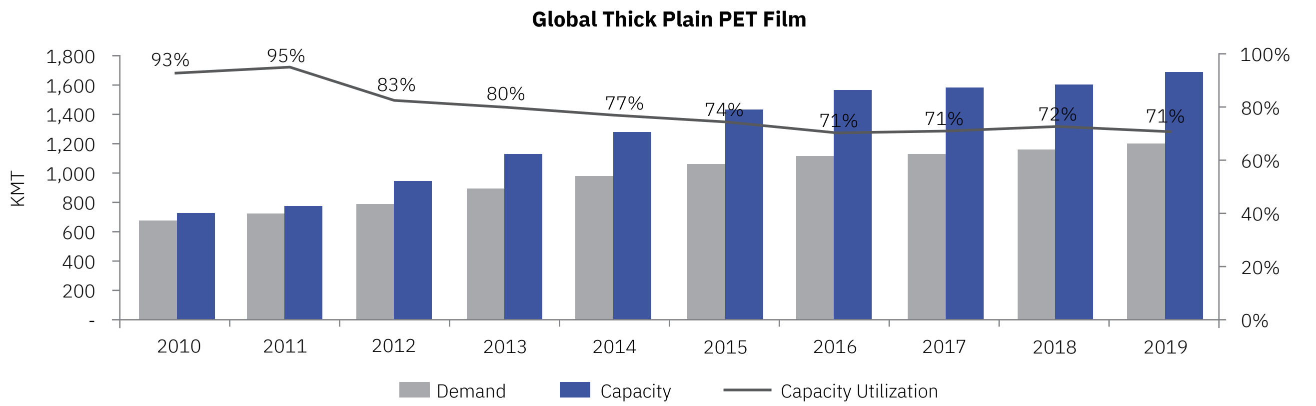
Global Thick PET Film capacity by Region



Source: Updated Company Estimates

"Other Industrial" includes applications like labels and release liners where US & Europe are the key markets. Similar to the thin PET film business, the capacity addition for thick PET film in China has also been significant. China has become the global leader in the manufacture of PV cells and also remains a key global supplier of other electronics products, such as PCBs and capacitors. Producers in Japan, Europe and USA constitute only around 22% of world capacity in 2019.

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



Source: Updated Company estimates

Over the past 2-3 years, CUF levels have been stable. It is expected that CUF levels will continue to be in the 70%-75% range for the next few years. Because of the high quality standards required by optical thick film customers, manufacturers targeting this sector face higher levels of wastage due to defects, and therefore the saleable output of thick film lines is often poor relative to thin film lines. As a result, thick film lines often operate at less than 75% utilization levels.

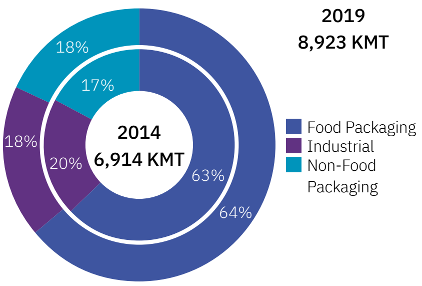
The Thick Film line in Thailand has enabled Polyplex to straddle the entire spectrum of end-uses for PET films by accessing the traditional industrial and electrical applications for thick films with significant progress in catering to several new and promising applications in optical and photovoltaic segments. The first film line in India which was revamped in December 2011 and further upgraded in 2014 to produce intermediate thicknesses and specialty films also contributes to the Company's growth/margins.

IV. BOPP Film Industry Overview

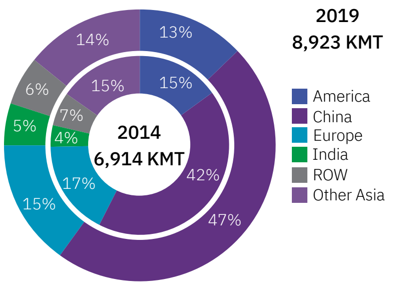
The global demand for BOPP is around 8,900 KMT and is expected to grow @ 5%-6%. Packaging is the key segment constituting more than 80% of the total BOPP demand. China is about half of world's demand and capacity. Given the proliferation of BOPP capacity, regional demand supply balance and local competition determine the market dynamics.

Feedstock of BOPP film is polypropylene (PP) resin which is a downstream product from crude oil and/or gas and is widely traded across the globe. BOPP is preferred over BOPET in applications like confectionaries, visiting cards, posters, gift wraps, bags etc. due to its high moisture resistance feature and other properties. Though BOPET and BOPP are sometimes considered as substitutes of each other, the two films have distinct individual features & are more often complimentary in a typical laminate structure.

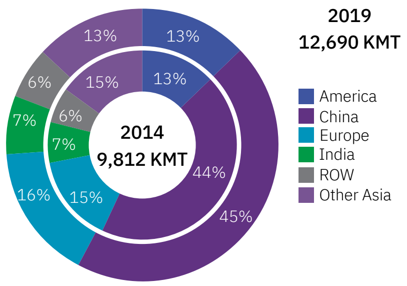
Global BOPP Film demand by End Use



Global BOPP Film demand by Region

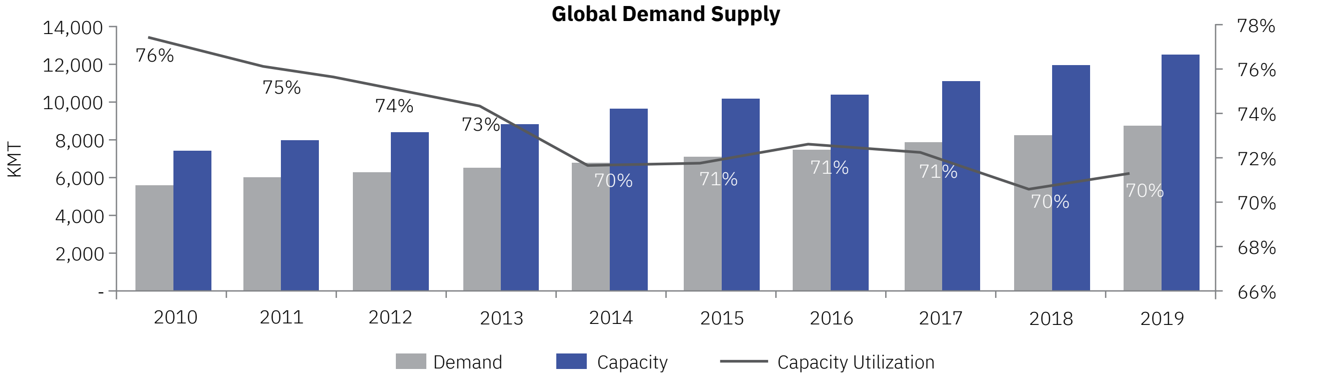


Global BOPP Film capacity by Region



Source: Company estimates

The trend for global capacity utilization for BOPP film is as under:



Source: Company estimates

Global CUF has been stable at about 70% over the past several years. This is projected to increase gradually in the next few years based on a linear demand growth.

It may be noted that a CUF factor of around 75%-80% is typically close to full producible capacity as actual production is dependent on the product mix.

In June 2019, the Company had announced a new BOPP line adjacent to the recently commissioned PET film line in Indonesia which would help diversify the product offering and help mitigate challenges posed by concerns surrounding sustainability and provides an opportunity for the Company to grow in a familiar industry. Besides growth in demand, commonality of customers with BOPET in flexible packaging, low cost of operations due to co-location and benefits of high productivity line, a global sales and distribution network provides further substance to the project. Additionally, mono material laminate structures based on Olefin (PP/PE) films are being perceived to be easier to recycle and new trials are mostly happening on olefin based structure and hence there may be a growth bias in favor of BOPP/PE based laminates.

V. CPP and Blown PP/PE Films Business

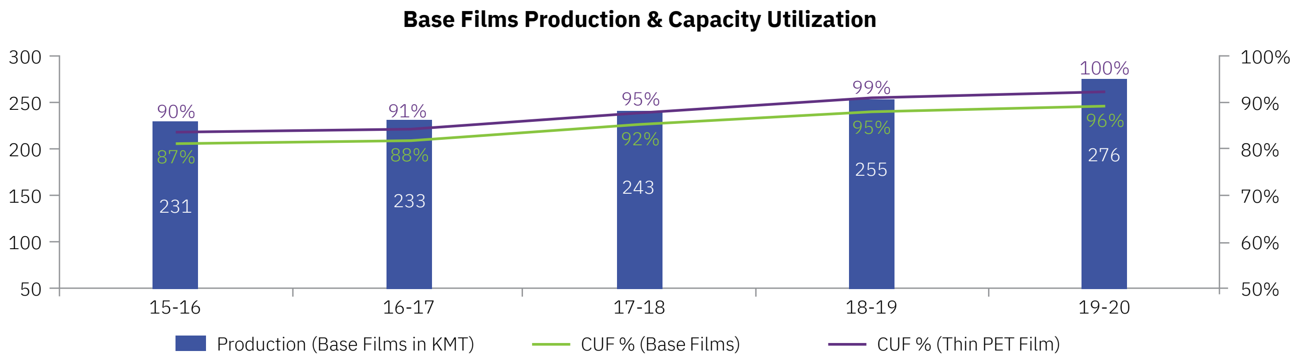
CPP films are transparent cast polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

CPP films are also produced from a combination of various grades of PP polymer resin. Various constructions of CPP are available (multi-layer options) which are used to cater to several applications in general packaging, as a sealant layer in conjunction with other plastic substrates for packaging of food products including snack foods like chips and biscuits, retort laminates for ready to eat food etc. Additionally, CPP find usage in medical packaging of surgical equipment’s etc. Given the relative modest investment required for CPP lines, regional demand supply balances are more relevant.

Another variant of PP based film is Blown PP. PTL had commissioned the first Blown PP/PE line in October 2013. This new base film (PP) enabled better use of the silicone coating facility with a broadening of the product range (including the ‘Peel & Stick’ liner segment for the roofing market in North America and Europe). The second Blown PP line in Thailand was commissioned in June 2018 which helped the Company cater to new segments/new customers. The applications serviced include agriculture usage (mulch films), separator in manufacturing of air bag safety films, preferred sealing substrates for flexible laminates (Polyplex core business segment), radiation protection suit, infection protection clothing and many more. Moreover, Blown PE/PP films are being considered for monolayer packaging to improve recyclability of used plastic pouches. The Company is in the process of adding two new Blown Film lines; one each in Thailand & Turkey.

VI. Polyplex Performance vs. Industry

Even while PET industry wide CUF have ranged between 70%-82% over the past 5 years, Polyplex has displayed an industry leading capacity utilization record as depicted below due to our higher productivity/lower operational losses complimented by the expanding product portfolio, strong customer relationships backed by combination of on-shore and near shore business model.



Base Film constitutes PET, BOPP, Blown PP/PE & CPP Films
CUF - Capacity Utilization Factor

VII. Industry Outlook

The demand supply situation in global PET thin & thick film market has improved during the past couple of years as the global capacity expansion has slowed down. This has resulted in overall improvement in the industry CUF in 2019 for PET film. However, in the next few years, several new lines (both PET & BOPP film) are expected to be added. Further, many of these new expansions are the latest 10 meters+ high productivity lines. Due to the healthy demand growth expected, especially in Flexible packaging, the new capacities are expected to be not too disproportionate, although temporary market disruptions may be felt, as and when each new line starts up in various geographies across the globe. The Company believes that its well-distributed manufacturing operations, diversified value-added product portfolio, quality consistency, international customer base, customer relationships, access & intimacy, efficient supply chain and a conservative Balance Sheet will allow it to grow profitably and withstand industry volatilities much better.

VIII. Indian Flexible Packaging Market

India is one of the world's biggest and fastest growing flexible packaging markets. The thin PET film market size in India is currently estimated at around 525,000 tons per annum. During FY 2020-21, growth of 9%-10% is expected, with similar growth in the flexible packaging industry. The total current capacity of BOPET thin films in India is about 750,000 tons per annum with a large portion of the surplus being exported. The Indian BOPP market is currently estimated at about 500,000 tons per annum with a capacity base of 763,000 tons. Demand is expected to grow at around 9%-10% annually.

IX. Other Businesses

Silicone coating and extrusion coating businesses

The silicone coating business produces release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Other applications of siliconized films include release liner for adhesive tapes, cast polymer materials, electronic applications, roofing and other industrial uses. Company had commissioned a new coating line in Q4 of FY 2019-20 at Thailand in the existing premises to strengthen its product portfolio and to increase business in electronic release liner market segment.

The extrusion coating business involves a combination of PET/BOPP/Nylon film with an extruded adhesive layer to produce thermal lamination film. Thermal lamination film is used for laminating offset/digital printed documents on one/both sides to improve durability and aesthetics of the printed documents. The principal uses comprise teaching aids, maps, certificates, posters, menu cards, book covers, carton board boxes, reflective insulation and food packaging. PTL is successfully running both its extrusion coating lines and has expanded sales globally. There is a shift in the global markets from offset print to Digital print lamination using special films for enhancing products appearance. Carton box packing segments are also growing due to change of food eating habits of customers. Overall, thermal films are estimated to grow at a rate of 3%-5%, mainly in BOPP and its specialty thermal films segments.

Offline coating business

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

Digitization is rapidly growing in various application segments like photo book, labels, shrink sleeves, flexible packaging, graphics, promotional & customized digital printing, commercial printing etc. Polyplex has developed various digital print media film products to provide solutions for graphics, display, label and packaging segments.

In FY 2019-20, the Company has commissioned new offline coating lines in India & in Thailand to meet market demand and broaden the product portfolio. Another offline coater is under implementation in Turkey.

Transfer metallized paper business (TMP)

TMP is Metallic Paper where the metal is deposited on it by transfer from release coated metallized PET film. It is commonly used in pharmaceutical, cosmetics, liquor, calendars, DVD inserts etc. Shiny metallized packaging helps attract the consumer's attention, while also raising a product's image to premium status. Major segments for transfer metallized paper are:

1) Label face stock
2) Wet glue label
3) Gift Wrap
4) Flexible packaging

The annual capacity of Transfer Metallized Paper in India (excluding Polyplex) is approximately 14,000 tons (other than manufacturing by converters for their own consumption). Around 50% of the production is currently exported. Domestic market consumption is approx. 7,000-7,500 TPA. Demand is growing at a CAGR of around 8%-10%.

Polyplex has successfully commissioned a laminating machine to facilitate Transfer metallized paper business in FY 2019-20 which will further enhance its product offering.

Holography business

Holography is the process of making holograms which are usually intended for displaying three dimensional images, security text, different unique features and images. It is a physical structure embossed on plastic film that diffracts light into an image, text or patterns.

Holography is widely used in various flexible packaging applications that provide better aesthetics, protection from counterfeiting, fraud and brand protection besides hot stamping foil, security label, holography transfer paper and other packaging applications.

Holography is produced on a thin flexible plastic film (PET, BOPP, CPP or Nylon) which has been micro-embossed with patterns or even images. Patterns or an image are created by way of an embossing process which can provide a 3D effect and/or spectral (rainbow) coloring. In order to enhance holography effect & its suitability in packaging application, embossed film is metallized on the holographic side.

The annual capacity of Holographic Film in India (excluding Polyplex) is approximately 6,000-7,000 tons and annual domestic consumption is about 5,300 TPA. This demand is growing at a CAGR of around 10%-15%.

Polyplex has successfully commissioned six holography film production lines in India for flexible packaging applications and Carton lamination. New Developments are being pursued in BOPP Holography for Book Cover Lamination, WPP Bags for Rice & Grain packaging, Textile Bags etc . The Company has also commissioned one holography line in Turkey and two holography lines are under implementation in Thailand.

Recycling of plastic waste

The Company through its subsidiary in Thailand, Ecoblue Limited, which started operations in 2013, provides sustainable solutions for film-based process waste as well as post-consumer plastic waste for varied applications. Over the years, EcoBlue has been working with different post-consumer and industrial wastes (both PET and Polyolefin based) to develop and produce high quality recycled materials which can replace virgin resin in high end applications like Filament Yarn, Bottles, PET Film etc. The Company is now venturing into a new state of the art recycling facility for post-consumer waste, for these applications to meet the ultimate demand of some Consumer Product Companies. This project demonstrates Company's commitment towards sustainability. With this project, Ecoblue would be positioned amongst the leading recycling companies in the region.

X. Demand Drivers for Plastic Films

Population growth | Urbanisation | Improved quality of life | Increasing environmental awareness | Increasing consumerism

Population growth: As per UN, the world's population is projected to grow from 7.7 billion in 2019 to 8.5 billion in 2030 (10% increase), and further to 9.7 billion in 2050 (26%) and to 10.9 billion in 2100 (42%). The population of sub-Saharan Africa is projected to double by 2050 (99%). Other regions will see varying rates of increase between 2019 and 2050 - Oceania excluding Australia/New Zealand (56%), Northern Africa and Western Asia (46%), Australia/New Zealand (28%), Central and Southern Asia (25%), Latin America and the Caribbean (18%), Eastern and South-Eastern Asia (3%), and Europe and Northern America (2%). The demand for plastic film is expected to be linear and directly proportional to population growth.

Urbanization: The urban population of the world has grown rapidly since 1950, having increased from 751 million to 4.2 billion in 2018. Asia, despite being less urbanized than most other regions today, is home to 54% of the world's urban population, followed by Europe and Africa (13% each). Growth in the urban population is driven by overall population increase and by the upward shift in the percentage living in urban areas. Together, these two factors are projected to add 2.5 billion to the world's urban population by 2050, with almost 90% of this growth happening in Asia and Africa.

India, China and Nigeria – together are expected to account for 35% of the growth in the world's urban population between 2018 and 2050.

Improved quality of life: With growing life expectancy and quest for quality, consumers are expected to move towards packaged product consumption. During the current Covid 19 pandemic, there has been elevated demand for packaged foods due to its inherent properties of safety & hygiene thus mitigating the risk of contamination. Also the move from unpackaged to packaged is expected to gather further momentum especially in Asia.

Increasing environmental awareness: Owing to increasing global environmental awareness, Plastics films are gaining popularity owing to lower environmental impact (emitting lower greenhouse gases and lighter in weight). Flexible packaging offers a number of sustainability benefits throughout the entire cycle of the package when compared to other packaging options.

Increasing consumerism: Income growth has led to an increase in global consumer spends, influencing in turn the Plastic film industry. The projected growth for 2030 suggests world per capita GDP growing to around USD 14,000 from USD 11,464 in 2019.

XI. Strategy & Positioning

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

Geographical Diversification

- Manufacturing and distribution presence in key regional markets (India, Thailand, Turkey, USA and Indonesia) supplemented with warehouses in Netherlands, Poland, Spain, Germany, Mexico and Italy and liaison offices in Singapore, Korea and Japan have strengthened our global delivery capabilities.
- Recently commissioned Greenfield & ongoing brownfield expansion in Indonesia for PET & BOPP film line respectively supports the Company's strategy of investment in large, productive & state of the art assets. This helps offer a better value proposition to the customers and diversifies risk without losing sight of cost and production efficiencies.
- The Company has strong and deep customer relationships, access & intimacy which are backed by a combination of on-shore and near-shore business model. In the current socio-political environment (post Covid-19), there is an increasing risk aversion towards concentrated supply chains and trend towards de-globalization with a preference for local/regional suppliers and shorter supply chains. Our value proposition of distributed manufacturing base has an advantage as compared to the other participants with concentrated capacities and has helped achieve status as Tier-1/Strategic supplier in several large/multi-national customers/groups.

Healthy Product Mix & Specialty Focus

- Diversification into various substrates has helped the Company to establish itself as a complete packaging film provider. The Thick film line and the Blown film lines in Thailand as well as the new Blown film line in Turkey seek to strengthen our presence in the diverse industrial end use segments also besides flexible packaging.
- The Company has accelerated investments in niche downstream products to exploit synergies, broad-base the portfolio and provide a scalable platform for further growth. The setting up of Extrusion Coating lines in Thailand, Silicone Coating lines in India and Thailand, Offline Coaters in India, Turkey & Thailand comprise such downstream investments.

- The recent investments in Holography machines in India, Thailand & Turkey besides paper metallizing business in India will further provide opportunities for enhancing the range of value added products.
- The Company offers unique value through differentiated products and applications leading to a healthy growth in mix of specialty, innovative and value added products in the portfolio.

Cost efficient operations & assets

- Investment in vertical integration (both backward and forward) complemented with investments in high productivity assets would continue to protect cost competitiveness, drive innovation & value addition.
- Continuous improvements (productivity and cost optimization) were made through the use of rice husk boilers for heating instead of expensive furnace oil, packing and freight cost reductions, quality improvements and waste reduction and standardization of business processes, etc.
- In order to increase the sales of specialty film and enable economic usage of the older & less productive film lines, significant modifications have been done and more upgrades are under implementation in several lines in India, Thailand and Turkey.

R&D capability

- Focus on innovation and collaborative application development helps the Company become a preferred supplier/partner with several large multinational customers.
- Better Technical services and new products are being facilitated by leveraging in-house R&D capabilities and experience.
- Collaborative Research with government labs and educational institutions to drive innovation and new sustainability positive products.
- Systems have been created and strengthened to enhance cross-learning and sharing best practices/benchmarking across various units and businesses of the Group to enhance efficiency and synergy.

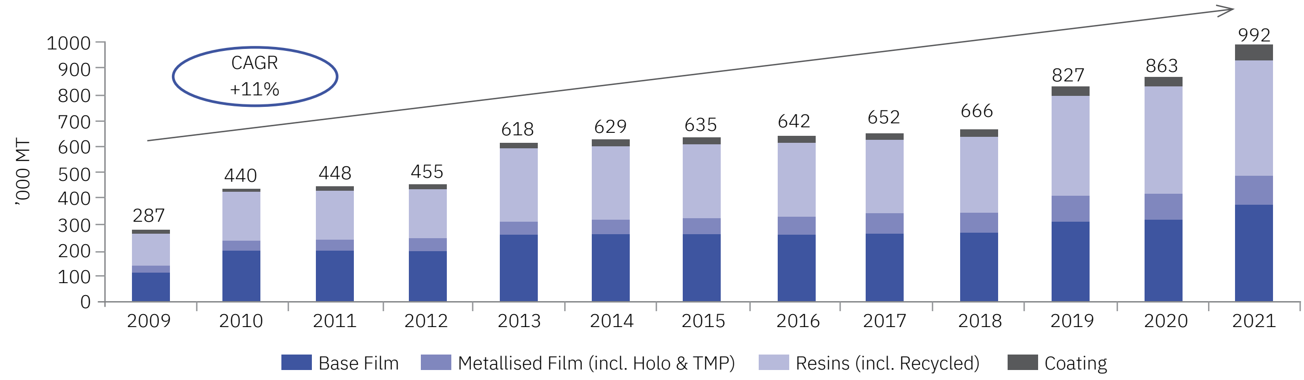
Sustainability focused

- Commitment towards sustainability while developing products & processes with minimal environmental impact.
- Developed and optimized "chemical recycling" process for manufacturing Sarafil rPET Polyester film with Post consumer Recycled content upto 90%.
- Promoted use of bio-based renewable raw materials and energy sources for the manufacture of polyester films.
- Developed various biodegradable films (PET, Blown PP/PE, CPP) which meet the requirements of anaerobic biodegradation either in accelerated land fill or high solids anaerobic conditions complying to ASTM D5511 & D5526 standards.
- Recently added capacity to a facility in Thailand for recycling in-house and sourced plastic waste. The Company has decided to further invest in a new post-consumer bottle flake washing and recycling project which would further add impetus to its sustainability agenda.

Strong Financial profile

- A liquid and strong Balance Sheet enhances flexibility to address growth opportunities.
- Favorable taxation regime.

This strategy has resulted in continuous growth (CAGR of 11% in capacity addition).



Note:

i. Coater capacities and capacity for Transfer Paper Metallized has been converted into MT based on current product mix.

ii. Figures include the proposed investments (which are under implementation) - Batch Resin Plant, Offline Coater & Blown Film line in Turkey, Metallizer in Indonesia and Batch Resin Plant, two Holography lines & Blown Film line in Thailand.

iii. The investment in new BOPP film line in Indonesia, co-located with the new investment in a PET film line on existing surplus land has also been considered. The project start-up is expected in H1 2021-22.

iv. Figures have been restated & revised, wherever necessary for previous years.

Despite the challenging environment, the Company continues to identify further growth avenues and is poised to enhance long-term shareholder value.

XII. Business Process Excellence

To enhance our competitive advantage and differentiation, the Company has been continuously investing in Business Process Improvement and Excellence programs. A BPE (Business Process Excellence) team is continuously working to undertake several Group-Level initiatives to improve our business processes and optimizing cost through continuous improvement in the areas of freight, packing, inventory management, electrical and thermal energy consumption, indigenization of spares, waste reduction & reuse of waste material, CRM and customer complaint handling. The benefits from these BPE programs have been continuously accruing over the last 5-6 years and significant incremental benefits are expected in the future as well.

XIII. Projects

The following projects are under implementation. The Capex cost for BOPP Line in Indonesia is around ₹ 400 crores and other projects aggregate to around ₹ 275 crores. A substantial amount of the Capex is expected to be spent in FY 2020-21.

Project Details	Location	Capex Type	Annual Capacity (TPA)	Expected Start up
BOPP Film Line 12	Indonesia	Brownfield Expansion	60,000	Q2 FY 2021-22
Metallizer-II	Indonesia	Forward Integration	12,000	Q2 FY 2021-22
Blown Film Line III	Thailand	Brownfield Expansion	4,800	Q3 FY 2020-21
Batch Plant-III	Thailand	Backward Integration	25,500	Q1 FY 2021-22
Holography-I	Thailand	Forward Integration	480	Q2 FY 2020-21
Holography-II	Thailand	Forward Integration	480	Q3 FY 2020-21
Post-Consumer Plastic Waste Recycling	Ecoblue, Thailand	Greenfield Expansion	25,000	Q2 FY 2021-22
Batch Plant	Turkey	Backward Integration	18,250	Q2 FY 2020-21
Blown Film Line	Turkey	Greenfield Expansion	4,392	Q2 FY 2021-22
Offline Coater	Turkey	Forward Integration	2,400	Q3 FY 2021-22

XIV. Performance during the year

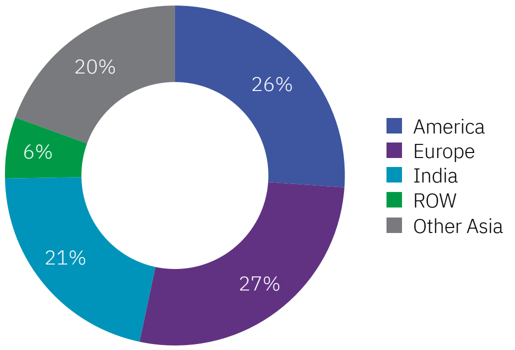
All discussion here is in the context of the consolidated performance of the Company.

Sales and Operations

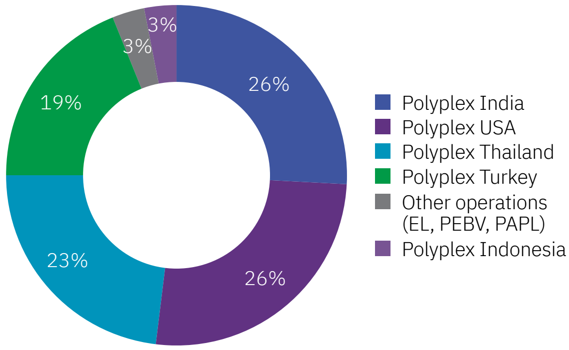
The Company has a large international presence with active sales in all major regional markets/countries with an extensive base of about 1,900 customers and low customer concentration. Its top-10 customers contributed 28% of revenues in FY 2019-20. Almost 67% of the Company's revenues were from PET films (Thin and Thick) in FY 2019-20. Of the total sales of the Group, 65% was accounted by ultimate end-users.

The breakup of the Company's revenues from various regions, operating companies, business segments and applications is given below:

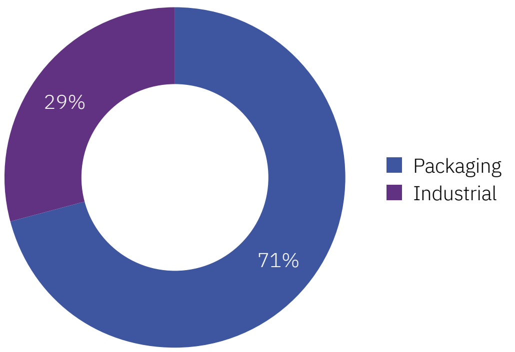
Region-wise breakup of sales



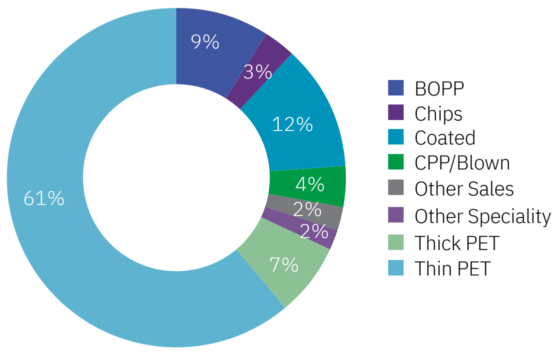
Operating Company-wise breakup of sales



Application-wise breakup of sales



Business segment-wise breakup of sales



Note:

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

New Start Up in Indonesia

The Company commissioned its new PET film line with an annual capacity of 44,000 MT and a Metallizer with annual capacity of 6,000 MT in Indonesia in November 2019. The Resin plant with an annual capacity of 73,000 MT has been commissioned in March 2020. Within a few months of startup, operations in the film line have ramped up rapidly with current CUF exceeding 90% levels.

With the backward integration into resin in place now, we expect significant improvement in the operations both from the cost/ profitability perspective as well as reliability/consistency of raw material input.

The Brownfield expansion for a new BOPP line is on schedule.

Financial performance

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

Particulars	2019-20			2018-19			Change (YoY)
	(₹ in Lacs)		% of Total Expenses	(₹ in Lacs)		% of Total Expenses	
Sales & Other Income	4,54,850	100%		4,73,343	100%		-4%
Manufacturing Expenses	2,92,116	64%	72%	3,17,149	67%	80%	
Operating and other Expenses	78,522	17%	19%	66,704	14%	17%	
EBITDA	**84,212**	19%		**89,490**	19%		**-6%**
Foreign exchange fluctuation loss/(gain) #	10,175	2%	2%	(9,407)	-2%	-2%	
Normalized EBITDA *	**94,387**	21%		**80,083**	17%		**18%**
Interest & Finance Charges	1,802	0%	0%	2,908	1%	1%	
Depreciation and Amortization	25,333	6%	6%	20,910	4%	5%	
Income Before Income Tax	**57,077**	13%		**65,672**	14%		**-13%**
Exceptional Gain/(Loss)	6,941	2%		-	0%		
Provision for Income Tax	14,636	3%		7,307	2%		
Net Income (Before Minority Interest)	**49,382**	11%		**58,365**	12%		**-15%**
Minority Interest	21,178	5%		25,362	5%		
Net Income (After Minority Interest)	**28,204**	6%		**33,003**	7%		**-15%**

Unrealized portion of foreign exchange loss/(gain) on foreign curency long term loan

* Normalized EBITDA excludes impact of unrealized FX (gain)/ loss on long term loans

During the year under review, the sales and other income have declined by 4% due to decrease in unit sales realization both in PET film as well as BOPP film businesses resulting from significant fall in raw material prices on the back of oil price declines. This is despite the overall sales volume in FY 2019-20 having increased by 8%, largely due to the new Indonesia plant startup during Q3 FY 2019-20.

Normalized EBITDA is higher by 18%. This was mainly on account of higher sales volume and improved value addition as compared to previous year. Reported EBITDA was lower by 6% owing to unrealized foreign exchange fluctuation loss of ₹ 10,175 lacs during the current year, in comparison to unrealized foreign exchange fluctuation gain worth ₹ 9,407 lacs during the previous year. This was on account of unrealized foreign exchange differences arising as a result of rein statement of long-term foreign currency loans charged to the Profit and Loss account as per applicable accounting norms.

Exceptional item during the year represents a gain of ₹ 7,106 lacs due to reversal of the impairment loss on manufacturing assets of Polyplex USA LLC (PU) partially offset by a loss of ₹ 165 lacs on account of provision for impairment on investment in subsidiary Company (PTSL, China). There is an additional depreciation charge of ₹ 1,544 lacs resulting from the reversal of impairment loss.

The Income Tax cost is higher during the current year due to deferred tax liability creation as well as deferred tax asset reversal aggregating to ₹ 5,220 lacs.

Sales and other income

	2019-20 (₹ in Lacs)	2018-19 (₹ in Lacs)	Change (YoY)
Sales	4,46,488	4,54,548	-2%
Other Income	8,363	18,795	-56%
Total	**4,54,850**	**4,73,343**	**-4%**

A marginal decrease in topline during the year under review was mainly due to decrease in selling prices of PET and OPP Films which is substantially set-off by increase in sales volume.

Other income during the previous year was higher due to net foreign exchange gains of ₹ 10,828 lacs (unrealized foreign exchange fluctuation gain on long term loans of ₹ 9,407 lacs and other operational forex gains of ₹ 1,421 lacs). For the current year, there are net foreign exchange losses which are clubbed in "Other Expenses". Other income also included interest income generated through deployment of surplus cash in low-risk market instruments and fixed deposits.

The break-up of sales reveal that 67% of the overall turnover is derived from thin/thick PET films (67% in FY 2018-19), 3% from PET chips (5% in FY 2018-19), 12% from Coating business (13% in FY 2018-19), 9% from BOPP films (9% in FY 2018-19), 7% from CPP films/Blown films/other sales (6% in FY 2018-19) and 2% from Other Specialty business (nil in FY 2018-19).

Manufacturing expenses

	2019-20 (₹ in Lacs)	2018-19 (₹ in Lacs)	Change (YoY)
Raw Materials Consumed (Incl. Stock Accretion/ Decretion)	2,34,827	2,64,655	-11%
Power & Fuel	26,505	24,464	8%
Packing Material Consumed	16,173	14,893	9%
Stores & Spares Consumed	10,112	8,814	15%
Repairs and Maintenance	4,499	4,322	4%
Total Manufacturing Expenses	**2,92,116**	**3,17,149**	**-8%**
as a % of Sales and Other Income	64%	67%	

Manufacturing expenses decreased by 8% in absolute terms due to decrease in raw material consumption on account of decline in raw material prices which is partly offset by higher sales volume. Further, power and fuel costs and packing cost increased due to higher sales volume and startup of Indonesia operations.

Operating and other expenses

	2019-20 (₹ in Lacs)	2018-19 (₹ in Lacs)	Change (YoY)
Personnel Expenses	38,722	34,460	12%
Administrative Expenses	12,305	11,525	7%
Selling Expenses	20,473	20,600	-1%
Other Expenses	7,023	118	5827%
Total Operating and other Expenses	**78,522**	**66,704**	**18%**
as a % of Sales and Other Income	17%	14%	

Operating and other expenses in absolute terms have increased by 18%. Other expenses have increased during the current year primarily due to net foreign exchange loss of ₹ 6,826 lacs (unrealized foreign exchange fluctuation loss on long term loans of ₹ 10,175 lacs partially set off by other operational forex gains of ₹ 3,349 lacs). Other operating expenses like personal expenses and administrative expenses are higher reflecting the impact of inflation, startup of new operation at Indonesia and increase in sales volume.

Interest and finance charges

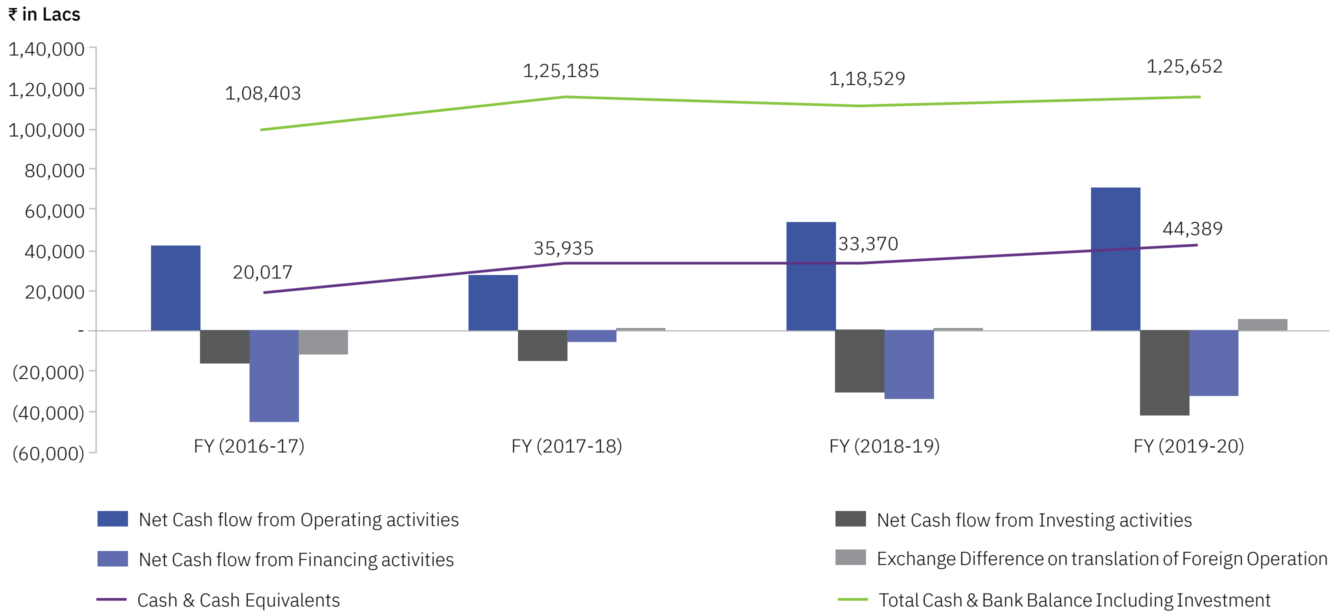
	2019-20 (₹ in Lacs)	2018-19 (₹ in Lacs)	Change (YoY)
Interest Expense	1,723	2,726	-37%
Bank & Other Financial Charges	79	182	-57%
Total Interest and Finance Charges	**1,802**	**2,908**	**-38%**
as a % of Sales and Other Income	0.4%	0.6%	

Financial expenses are lower than the previous year due to repayment/prepayment of term loans during the year under review partly offset by increased borrowings for new operations in Indonesia. Further lower working capital borrowing and decline in interest rates during the year also resulted in a lower interest cost.

Liquidity and capital resources

The Company ensures access to sufficient funding at acceptable costs to meet its business needs and financial obligations through business cycles. The Company relies on cash from operations and short-term/long-term debt for meeting its operational/capex requirements. It continues to maintain adequate liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments aggregated to around ₹ 2,05,620 lacs (including unutilized working capital limits of ₹ 79,968 lacs) as at the end of the reporting period.

Cash flows for the last four financial years



(₹ in Lacs)

	FY (2016-17)	FY (2017-18)	FY (2018-19)	FY (2019-20)
Net Cash flow from Operating activities	44,120	30,705	55,119	73,110
Net Cash flow from Investing activities	(14,390)	(12,635)	(29,626)	(40,496)
Net Cash flow from Financing activities	(43,578)	(4,176)	(31,153)	(29,767)
Exchange Difference on translation of Foreign Operation	(10,163)	2,023	3,096	8,172
Cash & Cash Equivalents	20,017	35,935	33,370	44,389
Total Cash & Bank Balance Including Investment	1,08,403	1,25,185	1,18,529	1,25,652

Cash & Cash Equivalents exclude fixed deposits with maturity more than 3 months and other fixed income investments.

Detail of Cash & Bank Balance Including Investments at the end of year:

(₹ in Lacs)

Particulars	**As on March 31, 2020**
Cash & Bank Balances	27,373
Fixed Deposit with Banks (less than 3 Months)	17,016
Cash & Cash Equivalent (A)	**44,389**
Fixed Deposit with Banks (less than 12 Months)	51,397
Other Balances with Bank	329
Bank Balances other then Cash & Cash Equivalent (B)	**51,725**
Fixed Deposit with Banks (More than 12 Months)	6,254
Investment in Bonds	16,065
Liquid Investment	7,218
Other Cash & Bank Balances (C)	**29,538**
Total Cash & Bank Balance Including investment (A + B + C)	**1,25,652**

Cash flow from operating activities

For the year under review, cash-flow from operating activities (before change in working capital) has increased to ₹ 91,668 lacs as compared to ₹ 77,135 lacs in previous year mainly due to expanded scale of operations and higher margins. This was partially offset by significant increase in net working capital invested in business (Inventories, trade receivable and other net current assets), thus resulting in net cash-flow from operating activities (after change in working capital) at ₹ 73,110 lacs.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of ₹ 47,228 lacs in FY 2019-20 (₹ 37,247 lacs in FY 2018-19), mainly towards capital advances/ payments for new PET Film line & BOPP project at Indonesia as well as multiple smaller investments in various locations. Around ₹ 2,196 lacs of fixed income securities and bank term deposits were redeemed (net of investment) during the FY 2019-20 (net redemption of ₹ 4,132 lacs in FY 2018-19). In FY 2019-20, cash was used for further investment in Bonds of ₹ 6,680 lacs, as compared to FY 2018-19 where cash generated due to net redemption of investment in Bonds was ₹ 2,027 lacs. Interest received during the year is higher at ₹ 3,816 lacs (₹ 3,242 lacs in FY 2018-19) on account of increased level of bank term deposit maturing during the year and higher coupon rate on fixed income securities.

Cash flow from financing activities

During the year there was a net decline in total debt (short term + long term) by ₹ 3,726 lacs, though term debt has increased by ₹ 12,602 lacs (net of repaid/prepaid borrowings) on account of fresh borrowings at Indonesia. Interest paid during the year was ₹ 2,380 lacs (₹ 2,912 lacs in FY 2018-19). The Company paid dividend of ₹ 23,597 lacs in FY 2019-20 (₹ 20,866 lacs in FY 2018-19).

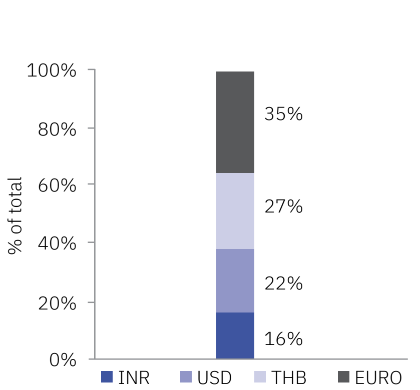
Exchange Difference on translation of foreign operations

This is the exchange rate difference arising out of translation of assets & liabilities of overseas subsidiaries which are denominated in different currencies into INR.

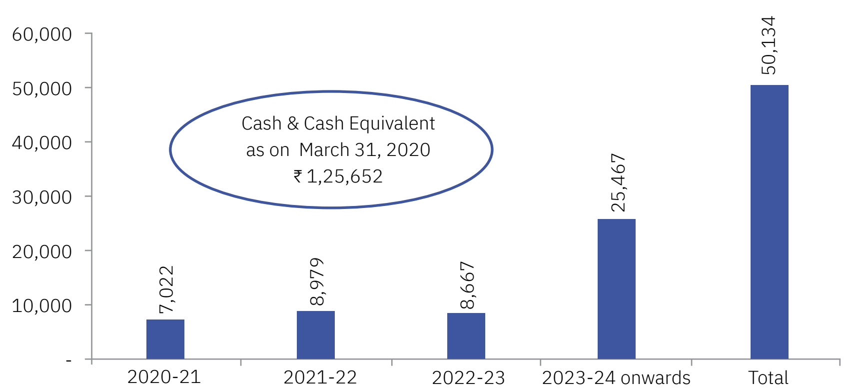
Debt profile

Total debt as on March 31, 2020 is ₹ 75,800 lacs (₹ 78,574 lacs on March 31, 2019), a decline of ₹ 2,774 lacs as compared to the previous year. This is mainly due to the decrease in working capital borrowing and net payment/pre-payment of long term debt substantially offset by fresh borrowings in Indonesia.

Total Debt - Currency wise



Term Loan Repayment Schedule (₹ Lacs)



XV. Sustainability

There is concern from all stakeholders and environmental groups on usage of plastics with emphasis on single-use plastic items and sustainable solutions are being sought. Governments are becoming an active participant in setting out the expectations and defining rules. Governments and Industry is focusing on developing economical models for collection, sorting and reuse/ recycling of post-consumer plastic waste. The urgency and sensitivity on the sustainability agenda varies significantly across regions with Europe taking the lead and limited traction in USA and South East Asia.

The Ellen MacArthur Foundation (EMF) in collaboration with the UN Environment has come up with a New Plastics Economy Global Commitment vision document wherein one of six key pillars is that all plastic packaging is 100% reusable, recyclable, or compostable.

In light of the above, each industry participant is challenged with both threats as well as opportunities. The Company strives to partner with all stakeholders in the value chain on sustainability developments. It represents the polyester industry at various national and International Industry Associations, the details of which are as below:

Industry Associations	Objective
PETCORE-Europe	PET Sustainability & Recycling
CEFLEX-Europe	Flexible packaging circular economy
EUPP-Europe	Recyclability & Sustainability
BOFE-Europe	PET film
SPC-USA	Recyclability & Sustainability
IFCA-India	Flexible packaging and folding carton

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

- Improve production and operational efficiencies to ensure optimal consumption of resources like electricity, water and raw materials.
- Limiting the impact on the environment by reducing emission levels of industrial waste and effluents.
- Improve safety and health standards by continuously improving working conditions, minimizing workplace hazards and raising awareness through involvement, participation and continuous training of the shop floor workforce.
- Engage with stakeholders to promote sustainable business practices.

Polyplex has undertaken the following decisive initiatives in the realm of environmental conservation:

- Developed and optimized “chemical recycling” process for manufacturing Sarafil rPET Polyester film with post-consumer recyclate content of upto 90% for packaging applications. The film has been made available commercially using post-consumer PET bottle flakes as input material. The rPET resin has properties same as that of virgin PET resin and the resultant PET film is compliant with all regulatory requirements including EC and US FDA compliances.
- Developed PET film based monomeric structure for use as single layer for applications including cold seal release film and applications.
- Introduction of transfer metallization films & paper for plastic free cartons which is 100% recyclable.
- Operationalized latest technologies to save power across plant locations which resulted in substantial improvements in terms of energy efficiency.
- Through its R&D initiatives, Polyplex has promoted the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films.
- Dedicated recycling unit in Thailand which provides sustainable solutions for plain and coated film waste and post-consumer waste.
- Reduced greenhouse gas generation by using husk-fired heaters at its Indian facilities.
- Switched to LED lighting across plants.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have been set out as per the following certifications:

Management System International Standards	PCL - Khatima	PCL - Bazpur	PTL-Thailand	PE - Turkey	PU - USA	PFI - Indonesia
Quality Management System (ISO 9001:2015)	Certified since 1996	Certified since 2010	Certified since 2004	Certified since 2006	Certified since 2018	Under Implementation (Certification expected by Q2 FY' 2020-21)
Environment Management system (ISO 14001:2015)	Certified since 2002	Certified since 2010	Certified since 2004	Certified since 2009	Certified since 2018	
Occupational health & safety management system (OHSAS 18001:2007/ISO 45001:2018)	Certified since 2004	Certified since 2012	Certified since 2008	Certified since 2009		
Food Safety Management System (ISO 22000:2005/ BRC-IOP/FSSC-V5)	Certified since 2008 (ISO 22000)	Certified since 2012 (ISO 22000)	Certified since 2009 (ISO 22000)	Certified since 2006 (BRC-IOP)	Under Implementation (Certification expected by Q2 FY' 2020-21)	Under Implementation (Certification expected by Q4 FY' 2020-21)
Energy Management System (ISO 50001:2011)	Certified since 2013		Under Implementation, (Certification expected by Q3 FY' 2020-21)	Certified since 2014		

The Company has also published its second Sustainability report (for the FY 2017-18) as per the Global Reporting Initiative (GRI) standards. The objective of the Sustainability Report is to disclose its Environmental, Social and Governance performance to the stakeholders and to set benchmarks for each sustainability indicator with improvement and intervention areas.

XVI. Corporate Social Responsibility

Corporate social responsibility has been an important part of the mission of the Company. The Company has been undertaking various initiatives to help communities in areas adjoining to its plants and improve the quality of life of its employees.

In the ongoing Covid-19 pandemic, the Company, across all its locations, has made monetary contributions to NGO's, Hospitals and Government relief funds. The Company has also donated sanitizers, necessary medical equipments and protective gear for healthcare workers. Various NGO's have been supported by providing necessary food supplies to the communities around our locations. At our plant locations in Khatima & Bazpur, hospital beds & other necessary medical devices have been provided to civil hospitals.

The Company has been running a school at its Khatima plant for the past almost three decades. The school provides over 1,750 students with best-in-class educational facilities. Under a PPP model at Bazpur and Khatima, Polyplex has adopted two local schools and provides them with the necessary infrastructure. Polyplex also offers a slew of sports and educational sponsorships as well as full scholarships to the school-going children of deceased employees. Polyplex promotes religious harmony through its even-handed support to local religious activities and celebrations. Polyplex has also contributed to the Rekhta Foundation, which is a non-profit organisation established to promote and disseminate Urdu literature and culture. In line with the requirements of Companies Act, 2013, the Company has also constituted a CSR Committee with a keen emphasis on delivering a positive impact across social, economic and environmental parameters. A detailed report on CSR expenditure is provided in the Directors' Report section.

XVII. Innovation

Polyplex has adopted a 'lean innovation model' in order to create enduring value for customers. It aims to provide more than a new product or a substrate. Polyplex's innovation center has introduced value-added products in several areas through a well-defined customer engagement process to align with customer requirements. The Company also focuses on developing applications and replacing existing products with alternative solutions. Innovation in this area is mainly based on developing new functional surfaces and properties besides films addressing the sustainability agenda for PET and PP based products based on future needs of customers.

Polyplex leverages the concept of co-creation while working on various innovation programs with its stakeholders–customers, brand owners, packaging designers, suppliers and adhesive manufacturers. Such engagement initiatives with customers are classified as V+ (value plus), W2 (win–win) and P1 (power of one).

The Company owns 18 Patents spread across various products, processes and countries and more than 5 are currently under the application stage. Additionally, five trademarks have been registered and a few more have been applied for.

Innovation – Sustainability related products

Polyplex has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions. It has taken various initiatives to recycle waste, save energy and use clean technology to reassert its environmental commitment and continually strives to manufacture sustainable products which can gain global acceptance, for example green candy wraps, direct digital printable films, transparent chlorine-free high-barrier films, UV printable carton lamination films, shrink sleeve wraps and label films, etc.

The Company has come up with several projects focused on CO_2 footprint reduction. Digital printing offers high-quality graphics without the usage of solvents unlike conventional printing techniques such as Flexo and Rotogravure. With a lot of technologies available for digital printing itself, Polyplex has been able to develop products for most segments suitable for different digital technologies such as inkjet, dry toner, liquid electro-photography, etc.

Another project focused on sustainability was an attempt to convert general packaging laminate structures from 3 layers to 2 layers, which basically contributes to both source reduction as well as CO_2 footprint reduction. With this idea in mind, Company now has a high barrier PE which is successfully being used in shampoo and detergent packaging where it essentially converted a 3 layers structure to 2 layers.

With the current developments around sustainability, Company has commercialized environment friendly alternatives Sarafil PCR PET with more than 90% recyclable content from used PET bottle flakes and other PCR flakes.

Polyplex has also come up with monolayer structures for some packaging applications. With polymeric modifications we were able to develop Heat Sealable PET films with high seal strength of upto 2kg/25mm. Such films are instrumental in designing mono polymeric PET laminates for applications like cold seal as well as replacing few multi-layer laminate structures where PET films can be used as sealant layer.

Product Innovation

The Company has been consistently introducing specialty products with various innovative applications and uses. Recent examples include films for back sheets of solar panels, thick films for electrical and electronic appliances, easy-to-tear packaging films for food and cosmetics, foldable films for medical and industrial uses, anti-fog films, thermo-formable films, antibacterial coated film, high-barrier high-adhesion films for metallic surfaces, transparent barrier films for food packaging, specialty-coated PET films and films for print media suitable for digital printable and UV inks, among others.

Consumers have become highly demanding and are looking for more and more convenience features in packaging formats. “Reclosability”, “Easy to tear” and “Save for later” have become regular concepts in the packaging market. The Company has delivered various innovative products and solutions for convenience, aesthetic, shelf life & high performance as under:

- ‘Easy and Straight’ tear PET film has facilitated customer convenience through easy opening of pouches.
- ‘Twist N Wrap’ is one such development which is seen on the market shelves for leading chocolate brands in India. This has also made possible conversion from a 3 layers laminate to a 2 layers laminate structure.
- Cold and Hot thermo-formable films have been developed for replacement of Nylon and PVC in certain flexible and pharmaceutical segments. AlOx based transparent barrier lidding films and pasteurization/retort grade films have been commercialized.
- The Company has also come up with specialty coated products for aesthetically pleasing packaging structures. They are targeted to impart a more natural and paper-like look for a soft and subtle appearance.
- Inkjet, dry toner digital printing films are environmental friendly and meets the need for variable printing applications.
- Specialty papers like Transfer Metallized Paper and Direct Metallized Paper for label segments have been developed.
- Holographic films for specialized applications like security & Tamper evident applications have been commercialized.

XVIII. Human Resources

Polyplex Group employs approximately 2300 people across the globe including the new greenfield site in Indonesia. The Company closely monitors employee performance and accordingly creates career progression paths. Greater emphasis has been given to the following initiatives:

- **Internal Growth and Development:** Company believes in developing leaders from within the organization. New greenfield expansion has provided growth opportunities to many who were ready to take expanded leadership roles.

- **Retention of Key Employees:** The leadership retention scheme has been broad based to include many future leaders. Over the last few years, there is zero attrition at the leadership level. Company strongly believes in managing operations through stable management team.

- **Localization:** In order to provide greater opportunities of learning and growth, there is greater emphasis on developing and promoting local leaders having potential to deliver. This has positively impacted the morale and participation of local employees in improvement initiatives and programs. There is almost zero attrition at the local leadership level at all the units.

- **Performance Management System:** Special emphasis has been given to improve the robustness of performance feedback across the hierarchy.

- **Employee Welfare and engagement:** Company believes in having strong institutionalized employee engagement schemes/programs specially designed to meet the aspiration of local environment, culture and social practices. The attempt is to promote health of all employees holistically. Physical, mental, emotional and spiritual health of employees is monitored to ensure higher engagement. Employee engagement and employee welfare schemes continue to play its pivotal role in improving employee bonding. Polyplex has more than 50 structured and institutionalized employee

engagement/welfare schemes covering employees at all plants and head office.

- **Opportunity of Learning and Growth to employees of all nationalities while setting up greenfield operations:** During the year, the new Indonesia operations started-up. We attempted to make best use of human resources from all the units globally. This has helped us experience best possible vertical start-up of our operation in Indonesia.

- **Healthy IR situation:** Overall IR situation in all the plants are healthy. Employees participate in decision making process through employee welfare committees.

- **Employee Rationalization:** Employee rationalization related initiatives continued to operate at all the units. The emphasis was to use each opportunity of employee rationalization with minimal emotional distress to employees. The leadership team in our new operation in Indonesia consists of employees from all the units without any additional hiring. Business growth opportunities provided additional space for manpower rationalization. Rationalization also involves lowering the salary grade at which a specific job is performed, integration of functions to reduce managers/supervisors, delayering of structuring.

- **Reward and Recognition:** In order to recognize and promote good performance, the Company has an institutionalized process of rewarding outstanding individual and team performance globally.

- **Systems and Process Institutionalizations:** Polyplex believes in institutionalized mechanism of managing all the benefits related to human resources. Employees have full access to these documents in HR portal (HRIS) for their ready reference.

- **HRIS:** Human Resource Information System (HRIS) has been implemented at Indonesia operation from beginning. This has helped manage all the HR processes digitally. With this India, Thailand, Turkey and Indonesia operations are integrated through HRIS.

- **Management of Human Resources during Pandemic:** During the current crisis, a robust health control mechanism has been put in place including handling of emergency situations. Proactive communication and prevention have been the hallmark of these initiatives. All our operations continued without any disruption till date during these difficult times.

- **Hiring of Future Leaders:** The Company continues to employ students from various premier institutions of the country. This initiative, over the last five years, has helped young engineers and management professionals take up middle level leadership positions. Under this program, key executives are given direct exposure through structured role change for faster and all-round growth. This has helped in improving the available talent pipeline and employee retention.

- **Caring Culture:** Care is one of the four core values of Polyplex's value system. Polyplex believes in holistic development of our employees.

- **Long serving employees:** In order to appreciate the contribution of long serving employees, following initiatives have been taken during last financial year:

    - Direct family members of employees are given opportunity of employment
    - Employees at operating level are given growth to play larger role at the plants

XIX. Information Technology

During the year under review, the Company continued to implement IT enablement initiatives for improving and optimizing processes. The new application platform "Integrate" has been successfully running in two locations and the roll out is under progress for next location.

In view of lockdown due to Covid-19 pandemic, the Company undertook additional measures and steps to facilitate work from home policies while extending security measures to protect information processing and collaboration outside corporate networks.

The Company has also undertaken review of IT Disaster Recovery and Backup infrastructure and is in the process of evaluating and implementing measures to improve the IT applications and infrastructure supporting the business operations.

The focus is on effecting improvements in tools deployed to empower marketing and technical service teams and expanding coverage of web-based training and development portal for employees to improve their knowledge and skills in the areas relevant for their operations. The Company continues to invest in upgradation of older networks and infrastructure components to contemporary standards with secured infrastructure.

XX. Internal Control Systems

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and balances and procedures through documented policy guidelines and manuals. The internal audit team conducts detailed audits to regularly monitor the efficacy of internal controls and compliances with Standard Operating Procedures and Manuals with an objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance that all transactions are authorized, recorded and reported correctly.

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

- Ensuring statutory compliance framework and its effectiveness.
- Evaluating and managing risks on the basis of pre-defined risk control matrix as per Internal Financial Control (IFC) guidelines.
- Review of business plans and goals.
- Safeguarding the Company's assets against unauthorized usage.
- Prevention and detection of fraud and error.
- Compliance of policies and delegation of authority.
- Validation of IT security controls.

XXI. Risk Management

Polyplex's integrated risk management approach comprises compliance with prudential norms, structured reporting and effective controls. A combination of centrally-issued policies and locally-sensitized procedures has helped enhance process robustness, ensuring that business risks are effectively addressed.

Competition and business cycle risk

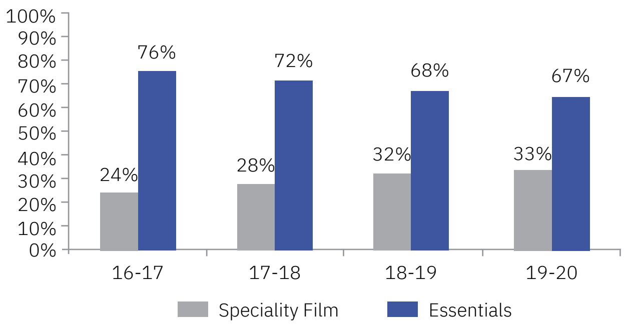
The industry margins in standard PET films hinge on Value Addition "VA" i.e. the difference between PET film prices and raw material (PTA and MEG) prices. Whenever the demand-supply balance favours the suppliers, VA usually widens and thereby encourages manufacturers to increase production by expanding capacities. On the contrary, if PET film supply exceeds market demand, prices drop, thereby narrowing the gap. This inevitably affects every producer's revenues and profits, though the impact varies considerably depending upon the product mix, market positioning and other factors. The demand supply balance has been improving over the last 2-3 years with the slowdown in capacity additions and continued demand growth. The year 2019 witnessed start-up of some new lines, mostly by incumbent players in different parts of the world and was absorbed quickly without affecting the demand supply balance significantly. There are several more lines which are slated to start in the next 2-3 years. These lines are spread across geographies but mostly by incumbent players. The ongoing Covid-19 pandemic might cause some delays in the start-up of these capacities and even some cancellations. In a hyper competitive market scenario, the industry may also see likely closure of some old and inefficient lines which may not be economically viable when compared to the high capacity contemporary lines.

The industry volatility for the standard products has also become somewhat damped over the last 4-5 years due to a host of factors including more rational behavior by industry participants, lenders, sponsors besides institutional changes, especially in Asia on new lending norms, bankruptcy laws, etc.

Risk mitigation

The Company's business model is designed to moderate volatility in earnings and build long-term competitiveness. Its multi-locational manufacturing assets lend it the ability to service key regional markets while minimizing logistics costs. A well-distributed manufacturing presence, diversified product portfolio and long term customer relationships provide better access to global markets and allow it to maintain a more balanced sales profile across regions, products, customers and currencies. This year the Company has further revisited and redefined the methodology for determining the proportion of High Value Added (HVA) film in the sales portfolio. HVA film sales usually are higher margin sales arising from differentiated product characteristics or application and/or a differentiated customer. HVA film helps the Company de-risk earnings. Over the past four years, the share of HVA in the total films sales turnover has increased from 24% in FY 2016-17 to 33% in FY 2019-20. If the impact of Indonesian start-up (product basket is mostly 100% essentials) is excluded, the share of HVA film for the FY 2019-20 would be 34%.

Speciality Film Share in Turnover



Price volatility risk

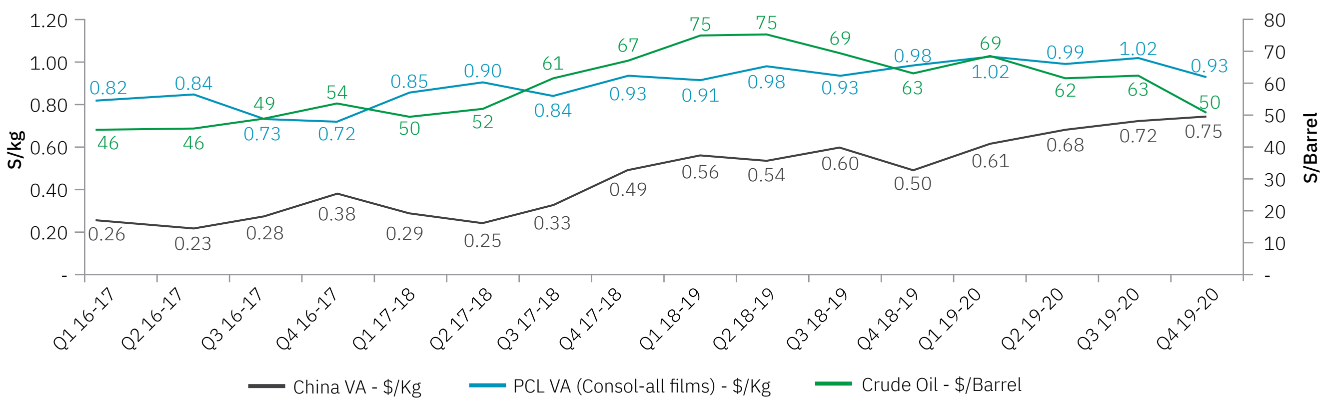
The basic raw material for production of PET film is PET resin, which in turn is produced from PTA and MEG. Being byproducts of the petro-chemical chain, the prices of PTA & MEG are impacted by Global crude oil prices, apart from demand-supply within its own industry.

The cost of resin is the single-largest component of the total production costs. Hence, any adverse fluctuations in the cost of PET resin can impact the Company's operating margins depending upon the Company's ability to pass on cost increases to its customers. As selling prices are usually negotiated on a monthly/quarterly basis, in a balanced demand supply situation, the Company is able to adjust the selling prices following any changes in PET resin costs and other operating costs, although this happens usually with a time lag varying between 1-3 months depending on the region and prevailing market conditions. The margins on the HVA products tend to be more stable and even counter-cyclical.

Risk mitigation

The graph below analyzes the correlation between crude oil prices and VA of PET films. Though any movement in the raw material prices is generally passed on to the end customers, albeit with some time lag, more importantly, with the diverse product mix and increasing proportion of HVA film sales, Polyplex has much better ability to maintain relatively stable overall VA across business cycles which is reflected in the consistently higher VA levels as compared to standard film VA prevailing in China.

PCL VA v/s China VA v/s Crude



Also depicted in the above chart is the comparison of crude oil price with standard film VA in China and overall VA for the Company which clearly shows the lack of any significant correlation between them over an extended period.

The Company monitors global and local input price trends carefully and determines its procurement plans accordingly. Moreover, unpredictable price movements of raw materials affect all industry participants and thus does not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors. The Company's geographical and product diversification helps in sustaining pricing/margins much better than other participants. The prices of downstream products like silicone-coating, extrusion-coating, holography and other specialty/HVA films are less susceptible to changes in raw material prices and thus reduce the Company's vulnerability in the face of volatile resin costs.

Trade defense risk

Trade defense measures (Anti-dumping duties, countervailing duties, safeguard measures etc) are imposed to protect local producers against unfairly traded or subsidized imports. Anti-dumping duties are imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the respective exporting country. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive.

PET Film: International trade in PET film has been subject to trade defense measures for more than three decades through the imposition of anti-dumping duties and countervailing duties. The important markets adopting this measure are the EU, the US, Korea, Indonesia and Brazil. In order to protect the domestic economy from Covid impact, Turkey has recently imposed additional custom duties of 40% till Sept 30, 2020 and 10% thereafter on all countries excluding those with FTA's and Custom Union.

Risk mitigation

A summary of the AD/CVD duties applicable in the major export markets for PET Films are as under:

Country of Import	Polyplex Duty (AD+CVD)	Other Indian Producer Duty Rates (AD+CVD) (Min-Max)	Other Countries on whom AD/ CVD applicable	Other Countries Duty Rates (AD+CVD) except Polyplex Group (Min-Max)
USA	13.75% (PCL)	7.22% - 65.59%	China Taiwan UAE	31.24% - 76.72% 0% - 4.48% 4.05% - 70.75%
Brazil	259.79($/Mt) (PCL) 67.44($/Mt) (PE)	222.15($/Mt) - 938.25 ($/Mt)	Turkey UAE Mexico Egypt China Bahrain Peru	646.12($/Mt) 436.78($/Mt) - 576.32($/Mt) 1013.98($/Mt) 419.45($/Mt) - 483.83($/Mt) 946.36($/Mt) 480.15($/Mt) 123.20($/Mt)
Korea	34.90% (PCL) 3.67% (PTL)	34.90%	Thailand Taiwan UAE China	3.68% - 3.71% 8.68% 7.98% - 60.95% 13.51% - 36.98%
Indonesia	8.5% (PCL) 2.20% (PTL)	4.00% - 8.50%	China Thailand	2.60% - 10.60% 5.40% - 7.10%
Turkey	21.61% (PCL)	4.25% - 21.61%		

Note: Sunset review by USA, Indonesia & Brazil on the following countries is ongoing
USA – India, Taiwan, China & UAE
Indonesia – India, China & Thailand
Brazil – India, Egypt & China

The Company undertakes required steps to insulate itself against risks arising out of any such anti-dumping actions and other trade barriers imposed by importing countries. A well-diversified manufacturing presence and an end-to-end product portfolio also helps mitigate fallouts emanating from such actions. As a local producer in many countries, it is also evaluating actions for protection against unfairly traded or subsidized imports from other countries.

BOPP Film: The key markets imposing trade defense measures on imports of BOPP films are Indonesia, Vietnam, Korea, Pakistan etc. Our existing operations in India for BOPP film are not subject to these trade defense measures. The brownfield expansion in Indonesia which is expected to start in H1 of FY 2021-22 may have some impact on exports to Korea. On the other hand, the Indonesian market is protected against imports from other key exporting countries like Thailand & Vietnam.

PET Film Resin: In case of PET Film Resin, there are not many trade defense measures across the globe except the safeguard duties imposed by Turkey on imports from Korea.

PTA: There have been AD duties on imports of PTA in India from countries like Thailand, Korea, China, Indonesia, Malaysia, Taiwan & Iran but effective Feb'20, these duties have been revoked as PTA has been designated as a critical input for textile fibers & yarn.

MEG: Currently, there are no trade defense measures on MEG but recently (in Dec'19) an AD investigation has been initiated by the Government of India on imports of MEG from Kuwait, Oman, Saudi Arabia (subsequently withdrawn), UAE & Singapore.

Liquidity and solvency risk

Liquidity implies the ability to meet debt obligations and finance future investments. A less than optimal debt-equity ratio could limit the investment capacity of a corporate. Generally, if the cost of debt is lower than the return on investments, by increasing the financial leverage, a corporate can enhance return on equity. However, since there is an obligation to make fixed interest and principal repayments, volatile cash flows could strain the liquidity of a corporate. Also, higher debts could limit the ability to finance further investments.

Risk mitigation

Even after considering various ongoing expansions and prepayments/repayments of long terms loans, the Company has sufficient cash reserves significantly exceeding the level of debt. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments (current and non-current) aggregated to more than ₹ 205,620 lacs. Free cash flows along with large unutilized credit lines available at Polyplex's disposal are expected be quite adequate to manage various ongoing expansions and to deal with any unforeseen contingences.

Exchange rate and interest rate risk

These risks arise on account of unanticipated changes in exchange rates. As the Company deals in multiple currencies due to its operations across different locations, the Company is exposed to risks on account of currency mismatches. Interest rate risk is the risk borne by interest bearing debt and investments due to variability in interest rates. In case of financing done at floating rates, as the interest rates change, cost of borrowing also changes, thus impacting cash flows.

Risk mitigation

Since the currency markets are highly volatile, the Company minimizes such risks by adopting a consistent hedging strategy. A natural hedge is created by choosing the right currencies for taking loans. Thus, the Company fixes the currency of the liability in order to match with the currency of operational surplus. The remaining mismatched exposures are optimized by the Company by carefully identifying, measuring, monitoring and hedging the net exposures by using simple instruments like forwards with a 3 month rolling time horizon. This ensures that the maximum potential loss remains within defined limits. As there is a natural hedge available for all long-term borrowings, the Company does not cover the exchange rate risk on these liabilities. Therefore, the foreign exchange translation gain/loss on these liabilities, as reported in the Financial Statements, may not have a corresponding impact on the cash flows of the Company as the payments for these loans are met via future receivables in the same currency. The forex risk is managed on a Standalone basis as cash flows are not freely transferable between Group entities.

The currencies used for external borrowing by the Company are US Dollar, Euro, INR & THB. Depending on the net FX surplus on Standalone basis, the currency for external borrowings is chosen. As of March 31, 2020, majority of the long term external borrowings were in Polyplex Indonesia which is in Euro & USD. Any spike in EUR & USD value against the local currency (IDR) has a negative impact on loan liabilities but with majority of the Company's exports to Europe & US markets, the impact on the Company's cash flow is minimized. Apart from this, there are related party borrowings too which are in Euros. Hence, there is a significant impact of Euro movement in terms of foreign exchange rein statement gain/loss as reported in the Financial Statements, which is partially hedged through Euro-denominated exports.

There are various reasons for interest rate changes like economic growth, inflation expectations and unemployment, among others. All these factors are external and uncontrollable. In order to have a more balanced loan portfolio and taking into account the cost benefit analysis, the Company continuously evaluates shifting some of its floating rate debt to fixed rate.

Credit risk

Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms.

Risk mitigation

The Company has a well-defined and robust internal credit management system to monitor unsecured sales. The Company also has a global credit insurance cover to secure non-payment risks of customers. During FY 2019-20, the Company had 1,900 customers and 28% of the total revenues were contributed by the top-10 customers. A strong internal credit risk management framework and credit insurance policy has enabled Polyplex to manage credit risks prudently. The average credit period during FY 2019-20 stood at 56 days as compared to 48 days in FY 2018-19. In the current pandemic situation, the risk of default is high and delays in payments are expected but with strong credit risk management system and strong relationship with customers, Company believes that it should be able to mitigate the risk.

Project implementation risk

Any delay in implementation, cost overrun, inability to stabilize production from the new investment and failure to meet the target investment objectives may significantly affect future profitability. Although the Company takes into consideration various regulatory aspects at the project feasibility stage, subsequent changes during the implementation phase may lead to project delays.

Risk mitigation

The risks are mitigated by forming a dedicated project management team, corporate management oversight, management commitment and suitable protection clauses in contractual arrangements and appropriate insurance products. The Company remains confident of successful implementation of new projects on time and within Budgeted costs except for un-foreseen circumstances. The BOPP Project at Indonesia is on schedule and expected to start commercial operations within H1 of FY 2021-22

Geographic risk

An over dependence on a particular geography may not bode well for the Company.

Risk mitigation

The installed capacity of base films as well as downstream units is quite evenly spread out among the five manufacturing country locations of India, Thailand, Turkey, Indonesia and the US. Though some political and economic problems have been faced in Thailand and Turkey from time to time, there has not any significant effect on business activities. The Turkey operations are well placed to sustain any impact in the short term arising from its location in a Free Trade Zone, high export orientation, domestic sales being invoiced in Euro and other mitigating steps undertaken. However, no adverse long-term impact is envisaged.

Regulatory risk

Regulatory compliance is a key consideration for the PET industry. In order to ensure the safety of food that is packaged and consumed, extensive regulations have been put in place by various regulatory bodies like the USFDA, the EC, among others.

Risk mitigation

The Company stringently conforms to the relevant USFDA and EC directives for food packaging applications.

Environmental and sustainability risk

The Indian packaging industry is prone to certain environmental and sustainability risks. The Plastic Waste Management Rules, 2016 and Solid Waste Management Rules, 2016 defined responsibilities and actions required by municipal authorities, manufacturers, dealers and brand owners. Amendments to these Rules made in March, 2018 have relaxed the regulations on usage of multilayer plastics, factoring in lack of alternatives. Further, while several Indian states have also come up with directives on limiting the usage of plastics in packaging, these are broadly not applicable to multilayer plastics for flexible packaging.

The current legislative framework has clarified that every producer or brand owner shall be responsible for safe disposal of plastic waste generated either in their premises or through post-consumer packaging material. They will have to register themselves with concerned authorities like SPCB/ CPCB and their agencies who will be disposing of above material.

At Global level also, there are increasing concerns on the usage of plastics in general due to low rates of recycling of post-consumer waste and lack of efficient collection and sorting systems. The ongoing Covid-19 crises has resulted in a re-think on the benefits of plastics in general and may re-orient thinking on recycling strategies and solutions.

Risk mitigation (please see section on Sustainability also)

Flexible packaging is environment friendly compared to traditional rigid forms of packaging owing to its lower carbon footprint, light weight and lower requirement of landfill. The amendment to the Plastic Waste Management Rules in India has significantly diluted the threat to multilayer flexible packaging as it defines recyclability by inclusion of other alternative usages like waste to energy as well as road construction, etc. There is increasing recognition among policy makers and other stakeholders that the functional properties of flexible packaging are unmatched and alternative options are not suitable. Governments and Industry are focusing on developing economic models for collection, sorting and reuse/recycling of post-consumer plastic waste. There is an increasing trend towards identifying EPR (Extended Producer Responsibility) measures to fund such initiatives.

The Industry is also working on multiple fronts to provide sustainable solutions such as:

- Higher rPET content in packaging.
- Single substrate packaging solutions.
- Higher Bio content or Bio sourced solutions.
- Several alternative usages of plastic waste are being pursued like conversion to fuel oil, incineration, road construction, etc.

Covid 19 related risk

The immediate impact of the pandemic on the PET industry would stem from expected fall in disposable income worldwide due to reduction in economic activities/higher unemployment levels. This impact, is expected to be felt for a period of 12 -18 months and may result in a reduction in the demand for discretionary items in both the packaging and industrial segments. These would include expensive snacks/boutique products, white goods, mobile devices, LED/LCD devices and the automotive segment, thereby leading to a reduction in demand for the films used in these segments.

Risk mitigation

Given Polyplex's exposure to Industrial applications is only 29% of total sales, the impact of reduced demand for some industrial applications is limited. Additionally, the increased demand of health and personal protection/hygiene related products will help alleviate the stress on CUF and margins. Plastic has proved to be much safer, affordable, long lasting and helps in disease containment during these tough times.

Consumer staples, which make up bulk of Polyplex's business, are expected to see stable to elevated demand. In developed economies such as Japan, Korea, Europe and US - there is an increase in demand for films going into flexible packaging, as consumers gravitate towards more packaged goods to avoid inherent risk of contamination in the fresh food segment. Even in developing economies like India people have become more health conscious and prefer to buy packed products rather than those which are sold loose.

Cautionary statement

This report contains forward-looking statements which may be identified by their use of words like 'plans,' 'expects,' 'will,' 'anticipates,' 'intends,' 'projects,' 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

Directors' Report

Your Directors have pleasure in submitting the Thirty-Fifth Annual Report together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2020.

Financial Highlights and Operations

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

a) Standalone Working Results:

(₹ in Lacs)

Particulars	2019-20	2018-19
Total Income	1,49,287	1,53,956
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	37,032	33,704
Less : Finance Costs	276	485
Less : Depreciation and Amortization	5,451	4,507
Profit before Tax and Exceptional Item	31,305	28,713
Less: Exceptional Item – (Gain)/ Loss	0	0
Profit before Tax but after exceptional item	31,305	28,713
Less/(Add):Tax expense and prior period adjustment	8,323	5,904
Profit after Tax (PAT)	22,982	22,808
Other Comprehensive Income/Loss	(274)	15
Total Comprehensive Income for the period	22,708	22,823

b) Consolidated Working Results:

(₹ in Lacs)

Particulars	2019-20	2018-19
Total Income (Previous Year- Net of Excise Duty)	4,54,851	4,73,343
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	84,212	89,491
Less : Finance Costs	1,802	2,908
Less : Depreciation and Amortization	25,333	20,910
Profit before Tax and Exceptional Item	57,077	65,673
Less: Exceptional Item – Gain/(Loss)	6,941	0
Profit before tax but after exceptional item	64,018	65,673
Less/(Add):Tax expense and prior period adjustment	14,636	7,307
Profit after Tax (PAT)	49,382	58,366
Total Other Comprehensive Income	22,320	1,197
Total Comprehensive Income	71,702	59,563
Total Comprehensive Income attributable to owner of the parent	42,434	36,695
Total Comprehensive Income attributable to Non-Controlling Interest	29,268	22,868
Earnings Per Share (of ₹ 10/- Each) (₹) (Basic & Diluted)	88.18	103.18

Year in Retrospect

During the year under review, Company earned total income of ₹ 1,49,287 Lacs as compared to ₹ 1,53,956 Lacs during the preceding year on Standalone basis, including income by way of dividend from subsidiary(ies) amounting to ₹ 19,185 Lacs (Previous Year ₹ 16,984 Lacs). Profit before Tax improved to ₹ 31,305 Lacs as compared to ₹ 28,713 Lacs. Profit after Tax for the year was at ₹ 22,982 Lacs as compared to ₹ 22,808 Lacs Lacs during the preceding year.

During the year under review, Company earned total income of ₹ 4,54,851 Lacs as compared to ₹ 4,73,343 Lacs during the preceding year on Consolidated basis. Profit before Tax and exceptional item was ₹ 57,055 Lacs as compared to ₹ 65,673 Lacs. Profit after Tax was ₹ 49,382 Lacs as compared to ₹ 58,366 Lacs during the preceding year.

Transfer to Reserves and Dividend

A sum of ₹ 250.00 Lacs from the Current Year's profit has been transferred to General Reserves (Previous Year ₹ 250.00 Lacs).

Board of Directors have declared and paid Interim dividend at the rate of ₹ 11.00 per share of the Face Value of ₹ 10 each (@110%) (Record Date: November 22, 2019).

Your Board of Directors have proposed payment of Final Dividend at the rate of ₹ 6.00 per share of the Face Value of ₹ 10 each (@60%), which would be paid after its declaration by the Members at the ensuing Annual General Meeting.

Cumulatively, the Board of Directors of the Company have declared/Recommended the total dividend of ₹ 17/- per share (@ 170%) for the year under review.

For the previous year 2018-19 Company paid first interim dividend @ ₹ 10/- per share, second interim dividend (special) @ ₹ 31/- per share and final dividend @ ₹ 10/- per share.

Changes in the nature of business, if any

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

Management Discussion and Analysis Report

As required by Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015}, a detailed 'Management Discussion and Analysis Report' (MDA) is attached in a separate section forming part of the Annual Report.

More details on operations and views on the outlook for the current year are also given in the 'Management Discussion and Analysis Report'.

Buy Back

After the Closure of Financial Year, the Board of Directors of your Company have decided to Buy-Back 11,54,000 Equity Shares of Company which represents 9.9924 % of the aggregate of the Company's paid up capital and free reserves (including Securities Premium) as on March 31, 2019 on Standalone basis at a price not exceeding ₹ 475 per shares from open market through Stock Exchanges. The buyback was scheduled to start from April 16, 2020 and is expected to be completed latest by October 15, 2020.

Till June 30, 2020 Company has bought back 5,89,225 shares which have since been extinguished.

Subsidiary Companies

During the year Company had following subsidiaries/ step-down subsidiaries whose performance are included in the Consolidated Financial Statements viz. Polyplex (Thailand) Public Company Limited, Thailand, Polyplex Trading (Shenzhen) Co. Ltd., China,(Wound up during the Financial Year 2020-21), EcoBlue Limited, Thailand, Polyplex (Asia) Pte. Ltd., Singapore, Polyplex (Singapore) Pte. Ltd., Singapore, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey, Polyplex Paketleme Cozumleri Sanayi Ve Tickaret Anonim Sirketi, Turkey, Polyplex Europe B.V., Netherlands, PAR LLC., USA, Polyplex America Holdings Inc., USA, Polyplex USA LLC., USA and PT Polyplex Films Indonesia, Indonesia.

As required by Section 129 of the Companies Act, 2013, ('the Act') and other applicable laws Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with applicable Accounting Standard(s) issued by Institute of Chartered Accountants of India (ICAI), form part of the Annual Report.

Highlights of performance of Subsidiary Companies and their contribution to the overall performance of the Company during the period under report are discussed in MDA and given in Form AOC-I, which forms part of the Annual Report.

The Financial Statements of the Subsidiary Companies will be posted on Company's website and made available on request.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the respective notes to Financial Statements.

Deposits from public

The Company has not accepted any deposits from public during the Financial Year 2019-20. There were no unclaimed deposits as at March 31, 2020.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, in relation to the Financial Statements for the Financial Year 2019-20, the Board of Directors state that : -

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

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the Profit of the Company for the year ended on March 31, 2020;

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

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

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

Directors and Key Managerial Personnel

Independent Directors and Declaration by Independent Directors

During the year, Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana (w.e.f. July 10, 2019), Ms. Pooja Haldea and Mr. Ranjit Singh served on the Board of the Company.

All the Independent Directors have given the requisite declaration that they meet the criteria of independence as prescribed under the Act and SEBI (LODR) Regulations, 2015.

The Board of Directors have noted and taken on record the declaration and confirmation submitted by the Independent Directors after due assessment of the veracity of the same.

Non-Independent Directors and Directors Retiring by Rotation

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

Mr. Sanjiv Chadha retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Key Managerial Personnel

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

Number of meetings of the Board

During the Financial Year 2019-20, six meetings of the Board were held and the gap between two consecutive meetings was not more than 120 days. Details about the attendance of Directors at these meetings are given in the Corporate Governance Report attached.

A separate meeting of the Independent Directors was held on July 10, 2019, without the attendance of non-independent directors and members of management pursuant to the provisions of Code for Independent Directors prescribed in Schedule IV of the Act.

Policy on Directors Appointment and Remuneration

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

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

Appointment of Independent Directors must satisfy the criteria laid down under the Act and Listing and other Regulations.

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

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

Board, Committees and Directors Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements prescribed under SEBI (LODR) Regulations, 2015.

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

a) Degree of achievement of key responsibilities.

b) Structure and Composition.

c) Establishment and delineation of responsibilities to Committees.

d) Effectiveness of Board processes, information and functioning.

e) Board culture and dynamics.

f) Quality of relationship between Board and Management.

g) Efficacy of communication with external stakeholders.

The performance of individual directors was evaluated on following criteria:

a) Participation at Board/ Committee Meetings.

b) Knowledge and Skill.

c) Managing Relationships.

d) Personal Attributes.

Independent Directors of the Company in a separate meeting reviewed the performance of non-independent directors and the Board as a whole and as also the performance of Chairperson of the Company.

Managerial and Employee Remuneration

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

Board Committees

Pursuant to the requirements under the Act and SEBI (LODR) Regulations, 2015, the Board of Directors have constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

Corporate Social Responsibility (CSR) Initiatives

Your Company contributes towards Healthcare, Education, Promoting Culture and Language as per details given in the CSR Report.

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

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

Corporate Governance

Corporate Governance Report forms part of this Annual Report. Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015 is attached.

Business Responsibility Report (BRR)

The Company is pleased to inform that it is among the top 1000 companies as per the market capitalisation as on March 31, 2020. Accordingly, pursuant to Securities and Exchange Board of India (herein after referred as 'SEBI') circular dated November 4, 2015 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company presents its first Business Responsibility Report for the financial year ended on March 31, 2020. The Report is forming part of the Annual Report.

Whistle Blower Policy – Vigil Mechanism

The Company has formulated Whistle Blower Policy in line with the provisions of Sub-Section 9 and 10 of Section 177 of the Act and SEBI (LODR) Regulations, 2015. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

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

Auditors

Statutory Auditors

In accordance with the provisions of the Companies Act, 2013 and Rules made thereunder M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory Auditors of the Company for a term of five years from the conclusion of 32nd Annual General Meeting held on September 11, 2017 until the conclusion of 37th Annual General Meeting to be held in the year 2022.

The Auditors' Report on the Financial Statements of the Company for the Financial Year 2019-20 to the Members is part of Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers in their report requiring any explanation.

Internal Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Jain Pramod Jain & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2020-21.

Cost Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) as Cost Auditors to audit the Cost Records of the Company for the Financial Year 2020-21. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members. Accordingly, a resolution seeking ratification of the remuneration payable to the said Auditors has been included in the Notice convening the ensuing Annual General Meeting.

Secretarial Auditors

The Board of Directors on the recommendations of the Audit Committee have reappointed M/s. RSM & Co., Company Secretaries, New Delhi, as Secretarial Auditors of the Company for the Financial Year 2019-20 pursuant to the provisions of Section 204 of the Act and Rules made thereunder. Secretarial Audit Report received from them is annexed herewith and marked as **Annexure D**.

Observations and other remarks in the Secretarial Audit Report are self explanatory.

Other Statutory Information

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

Annual Return/ Extract of Annual Return

In Compliance with the provisions of the Section 134(3)(a) of the Act, the Annual Return of the Company as per Section 92(3) of the Act is available on the Company's Website www.polyplex.com. An extract of the Annual Return in Form MGT-9 is given in **Annexure F**.

Related Party Transactions

None of the transactions with any of related parties were in conflict with the Company's interest. Prescribed disclosure as required by the IndAs - 24 has been made in the notes to the Financial Statements. All related party transactions are negotiated on an arms-length basis and are in the ordinary course of business. Therefore, the provisions of Section 188(1) of the Act are not applicable to such transactions.

Wherever required omnibus approval of the Audit Committee is obtained and such Related Party Transactions are reported to the Audit Committee for its review. Further, there were no material Related Party Transactions during the year, requiring approval of the members.

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

Risk Management

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

Internal Financial Control

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

Confirmation

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

There have been no other material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2020 and date of this Report.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

Significant and material orders

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

Human Resources

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

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

Company has also laid down a Policy under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constituted Internal Complaints Committee to redress the complaints. There were no complaints received during the year (Previous Year: Nil).

Listing of Shares and Depository System

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

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

Acknowledgement

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

For and on behalf of the Board

Sd/-
Date : July 20, 2020 **Sanjiv Saraf**
Place : New York (USA) Chairman

ANNEXURE-A

Annexure to the Directors' Report

Statement showing particulars of employees of the Company required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board of Directors Report for the year ended March 31, 2020.

A. Employed for full year

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Pranay Kothari	Executive Director	61	FCA, CS	1-Aug-1985	35	3,93,79,021	Optima Consultants Private Limited, Consultant
2	Mr. Manish Gupta	Chief Financial Officer	52	B.Com (Hons) MBA (Finance) (IIM, Bangalore)	1-Aug-2008	29	1,89,62,432	Polyplex (Thailand) Public Company Limited, Thailand, General Manager – Commercial
3	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	53	BE (Mech.), M. Tech (Industrial & Mgmt Eng.), IIT-K	1-Aug-2006	30	17722,371	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey - Plant Head
4	Mr. Kapil Gupta	Senior Vice President (Profit Centre Head, India)	61	B.E. (Chem), PGDM (IIM, Ahm.)	18-Jul-2011	38	1,60,03,534	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi-Turkey, Profit Centre Head
5	Mr. Ramakrishna Rao Kuchipudi	Senior General Manager (NPD, R & D and TS)	57	B.Tech (Chemical) M. Tech (Chemical)	1-April -2009	35	1,20,39,985	Bhilangana Hydro Power Limited, General Manager
6	Mr. Ashok Kumar Gurnani	Company Secretary	62	FCS, AICAI, M.Com, LL.B (Delhi University)	05-Feb-1987	42	98,78,279	Bharat Gears Limited, Secretarial Executive
7	Mr. Rakesh Kakkar	General Manager (Sales and Marketing)	60	Diploma (Electrical)	01-Aug-1991	39	92,27,796	Excel Marketing Pvt. Ltd. (Astt. Manager -Sales)
8	Mr. Shailendra Kumar Srivastava	DGM (Corporate Technical Services)	47	M.Sc; M. Tech (Polymer Science)	01-Jan-2010	27	7177,993	Positive Packaging Industries
9	Mr. Saleem Ahmad	Senior General Manager (BOPET)	57	B.Sc (Mechanical)	04-Apr-1988	32	65,14,888	N.A.
10	Mr. Ravindra Kumar Gupta	Senior General Manager	57	B.Tech (Electrical)	01-Aug-1987	33	63,16,798	N.A.

B. Employed for part of the year:

Sr. No.	Name	Designation	Age (Years)	Qualifications	Date of Joining	Experience (Years)	Remuneration (₹)	Last Employment
1	Mr. Rajendra* Singh Gaur	Vice President (Operations Head Plant)	59	Diploma (instrumentation)	14-Jan-2009	40	98,04,841	Polyplex (Thailand) Public Company Limited, Thailand, Plant Head
2	Mr. Harminder Singh**	General Manager (Indirect Taxation and Admin)	61	B.Sc.	26-June-2000	33	1,58,56,697	Senior Manager in Rajdoot Paint Group

*Retired on April 12, 2019.

**Expired on July 4, 2019.

Notes:

1. Remuneration includes salary, performance award, actual expenditure incurred in connection with the residential accommodation or HRA, reimbursement of medical expenses, LTA, contribution to Provident Fund, Superannuation Fund and NPS, value of perquisites calculated in accordance with the Rules framed under the Income Tax Act, 1961, Leave encashment and Gratuity wherever applicable.
2. None of above employees holds 2% or more in the paid up equity shares of the Company in his own name along with his spouse and dependent children.
3. All appointments are contractual in nature.
4. None of the above employees is related to any Director of the Company.

ANNEXURE-B

Annexure to the Directors' Report

Particulars of Remuneration

The information required under Section 197 of the Companies Act, 2013 read with Rules made thereunder, in respect of employees of the Company is as follows:

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

Name of the person	Ratio to Median Remuneration
Non-Executive Director	
Mr. Sanjiv Saraf	80.32
Executive Director	
Mr. Pranay Kothari	102.03

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

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

Name of the person	% Increase/(decrease) in remuneration
Non-Executive Director	
Mr. Sanjiv Saraf	12.73%
Executive Director	
Mr. Pranay Kothari	7.77%
Key Managerial Personnel	
Mr. Manish Gupta (CFO)	11.90%
Mr. Ashok Kumar Gurnani (CS)	71.99%

Above list does not include Non-Executive Directors who were paid only sitting fee for attending the meetings of the Board/Committees at the rate of ₹ 50,000/- per meeting.

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

Remuneration of median employee increased by 12.60% during the year.

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

As on March 31, 2020, total numbers of employees were 913.

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

Average increase in the remuneration of median employee was 12.60% as compared to average increase of 15.18% in the remuneration of managerial personnel.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.

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

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

For and on behalf of the Board

Sd/-
Sanjiv Saraf
Chairman

Date : July 20, 2020
Place : New York (USA)

ANNEXURE-C

Annexure to the Directors' Report

Report on Corporate Social Responsibility (CSR Report)

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

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

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

2. The Composition of the CSR Committee:

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

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

Mr. Ranjit Singh (Non Executive - Independent) was appointed as new member of the Committee w.e.f. April 1, 2019.

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

₹ 13,879 Lacs.

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

₹ 277.58 Lacs.

5. Details of CSR Spent during the Financial Year (2019-20)-:

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

To be spent ₹ 277.58 Lacs. Amount spent ₹ 121.56 Lacs.

(b) Amount unspent, if any

₹ 156.02 Lacs.

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

As per Annexure attached

6. Reasons for not spending the prescribed amount:

Company is committed to spend the amount required to be spent under CSR. A part of CSR expenditure though approved by the Board of Directors could not be spent during the same year due to procedural formalities/ delay in receipt of recommendations / progress report on the earlier contributions, finalization of specific expenditure and procurement of items due to Covid 19 problem during the second half of March, 2020. Spending has started after the close of the financial year and a sum of about ₹ 33 Lacs have been spent during the first quarter of the current year.

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

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

Sd/-
Pranay Kothari
Whole time Director

Date: July 20, 2020
Place: New Delhi

Sd/-
Sanjiv Saraf
Chairman of CSR Committee

Date: July 20, 2020
Place : New York (USA)

Annexure to CSR Report

Sr. No.	CSR project or or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Promoting Education	Education	Other – Lucknow Uttar Pradesh	5,00,000	5,00,000	5,00,000	Implementing agency: Navsrijan Education Society, Lucknow.
2	Promoting Health Care	Health Care	Local – National Capital Region	6,00,000	6,00,000	6,00,000	Impementing agency: Sapna, New Delhi
3.	Promoting Education	Education	Local – Schools at Udham Singh Nagar, Uttarakhand	10,00,000	56,000	56,000	Direct
4	Promoting Education/ Culture	Promoting Culture/ Language	Local – National Capital Region	80,00,000	80,00,000	80,00,000	Implementing agency: Rekhta Foundation, New Delhi
5	Promoting Education	Education	Local – National Capital Region	20,00,000	20,00,000	20,00,000	Implementing agency - S D College Society(Lahore), New Delhi
6	Promoting Education	Education	Other - School at Jhalawar, Rajasthan	15,00,000	10,00,000	10,00,000	Implementing agency - Rajkiya Adarsh Uchch Madhyamik Vidyalaya, Gagron, Jhalawar, Rajasthan
7	Promoting Healthcare	Healthcare	Local - Civil Hospitals at Khatima and Bajpur Distt. Udham Singh Nagar, Uttarakhand	70,00,000	Nil	Nil	Direct in consultation with Community Health Centres and Government of Uttarakhand
	Total			**2,06,00,000**	**1,21,56,000**	**1,21,56,000**	

Notes :

a) Amount of CSR budget/outlay approved by the Board during the financial year 2019-20, which could not be spent during that financial year would be spent in the following year(s).

b) Cumulative expenditure upto the reporting period refers to expenditure during the year 2019-20.

Sd/-
Pranay Kothari
Whole time Director

Date: July 20, 2020
Place: New Delhi

Sd/-
Sanjiv Saraf
Chairman of CSR Committee

Date: July 20, 2020
Place : New York (USA)

ANNEXURE-D

Annexure to the Directors' Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of :–

1. The Companies Act, 2013 ("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period);**
   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, **(Not applicable to the Company during the audit period);**
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable to the Company during the audit period);**
   (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) ;**
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the audit period)**. and
   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

   (i) Factories Act 1948, and rules made there under;

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

   (iii) The Environment Protection Act, 1986 and Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016 and other Rules made thereunder;

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

   (v) Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder;

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

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

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

   (ix) Indian Boilers Act, 1923 and Rules made thereunder.

7. We have also examined compliance with the applicable clauses of Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

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

   a). Independent Director(s) of the Company has not been appointed in three out of four material unlisted foreign subsidiaries pursuant regulation 24(1) of Listing Regulations.

   b) Chairpersons of Audit Committee & Stakeholders Relationship Committee were not present in the Annual General Meeting as required under Regulation 18(1)(d) & 20(3) respectively.

8. We further report that:-

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

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

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

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

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

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

   (ii) Redemption / Buy-back of Securities;

   (iii) Merger / Amalgamation / Reconstruction etc.;

This report is to be read with our letter of even date which is annexed as "**Annexure-1**" and form an integral part of this report.

For **RSM & Co**.
Company Secretaries

CS RAVI SHARMA
Partner
FCS: 4468 | COP No.: 3666
UDIN F004468B000491746

Date : July 20, 2020
Place : Delhi

Annexure-1

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

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

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

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

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

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

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

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

For **RSM & Co.**
Company Secretaries

CS RAVI SHARMA
Partner
FCS: 4468 | COP No.: 3666
UDIN F004468B000491746

Date : July 20, 2020
Place : Delhi

ANNEXURE-E

Annexure to the Directors' Report

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

(A) CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

a) Replaced the Husk heater conventional Air Compressor with VSD driven to reduce power wastage during unloaded condition.

b) Revamping of Hot Oil Line insulation with new one to avoid the loss of heat energy.

c) Conventional flood lighting fixtures have been replaced with LED.

d) 18 (Nos.) BOPP MDO Rotary Union pump Motor rating reduced from 3KW to 1.5 KW to save the energy as well as to reduce rotary union leakages.

e) Chiller efficiency improvement by upgrading cooling tower.

f) Replacement of blowers with energy efficient design blowers.

g) Optimization of conveying blower flow by installing VFD.

h) In order to save energy we have increased beed quantity from 8 kg to 12 kg in Beed Mill of OLC-2 Plant, which has substantially reduced grinding time of chemicals from 18 hours to 14 hours achieving power saving of 1340 KW / month.

i) Installed Insulation at BOPP Extruder Barrel to save electrical energy. Saving is 6 Kw per hour.

j) Installed drive for Water bath in BOPP circulation pump to save energy 5 Kw per hour.

ii) Steps taken by the Company for utilizing alternate sources of energy:

a) Utilisation of Bio-fuel (Rise husk) as alternate fuel for process heating requirements.

b) Installed solar based street lighting in the plant.

iii) Capital investment on energy conservation equipment:

- Khatima: ₹ 11.64 Lacs
- Bazpur: ₹ 28.00 Lacs

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption;

a) Line-02 modification from mono layer to ABB and ABA. Whereafter that Line will be capable for producing special products. The machine is installed but commissioning is pending.

b) CEL2150 Holography Machine was installed at Khatima which is having sophisticated in-line coating technology.

c) Transfer metalizing paper machine and corresponding slitting facilities installed and commissioned at Bazpur.

d) Additional metallizer of 2850 mm with slitting facility installed and commissioned at Khatima.

e) Developed 'In house' embossable resin based film for Holographic application which is being supplied since May 19.

f) 4 stretch wrapping machines are installed for ease of packing the finished goods and enhancing customer satisfaction.

g) Transparent barrier Alox coating capability is established.

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

a) In OLC-2, recycling air quantity in Oven has been increased from 80% to 90% which has reduced thermic fuel heat load of both Ovens.

b) In OLC-2, Slot Die has been shifted from Zone-2 to Zone-1 to increase the speed of all inkjet products from 10 mpm to 18 mpm.

c) In OLC-1, overall average speed of product mix has been increased by 18%.

d) Developed Bare BOPP film for the direct Holography.

e) Developed alternate vendors for TDO chain clip Knife repairing in BOPP as well as sourcing various spares/ rollers with good saving potential.

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

Line-2 gauging system up gradation was done in May-19 which is performing well.

(iv) Expenditure incurred on Research and Development

Revenue expenditure on R&D incurred during the Year : ₹ 538.06 Lacs (Previous Year : ₹ 454.62 Lacs).

Capital expenditure on R&D incurred during the Year ₹ Nil (Previous Year –₹ Nil).

Total R&D expenditure as a percentage of total turnover is 0.42%. (Previous Year 0.34%)

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned: ₹ 58,768.23 Lacs (Previous Year : ₹ 60,459.83 Lacs)

Used: ₹ 21,579.67 Lacs (Previous Year : ₹ 12,758.05 Lacs)

ANNEXURE-F

Annexure to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON 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:

i	CIN	L25209UR1984PLC011596
ii	Registration Date	October 18, 1984
iii	Name of the Company	POLYPLEX CORPORATION LIMITED
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India Phone-05943-250136, Fax: 05943/250281
vi	Whether listed Company	Yes
vii	Name, Address and contact details of the Registrar and Transfer Agent, if any.	KFIN TECHNOLOGIES PRIVATE LIMITED Selenium Tower-B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel. : +91-40-67162222 Fax : +91-40-3431551 Toll Free No.: 1800-345-4001 Email : einward.ris@kfitech.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the Company
1	Plastic Films and Resins	Group 222	99.20%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Polyplex (Asia) Pte. Ltd. 61 Club Street, Singapore -069436	Foreign Company	Subsidiary Company	100.00	2(87)
2	Polyplex (Thailand) Public Company Ltd. 75/26, Ocean Tower -II, 18 Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok - 10110, Thailand	Foreign Company	Subsidiary Company	51.00	2(87)
3	PT Polyplex Films Indonesia JI. Modern Industries XVIII Block AN No.7 Nambo Udik, Cikande, Serang Regency, Banten, Indonesia-42186	Foreign Company	Subsidiary Company	51.00	2(87)
4	Polyplex (Singapore) Pte. Ltd. 61 Club Street, Singapore -069436	Foreign Company	Subsidiary Company	51.00	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
5	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi Karamehmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No.-4, Ergene, Tekirdag, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)
6	Polyplex Trading (Shenzhen) Company Ltd.* Room No. 1309, Block A, Galaxy Century Building, Caitian Road, Futian District, Shenzhen, Peoples Republic of China	Foreign Company	Subsidiary Company	51.00	2(87)
7	PAR LLC 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	100.00	2(87)
8	Polyplex America Holdings Inc. 3001 Mallard Fox Drive NW, Decatur, Alabama – 35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
9	Polyplex USA LLC 3001, Mallard Fox Drive NW, Decatur, Alabama-35601, USA	Foreign Company	Subsidiary Company	51.00	2(87)
10	EcoBlue Limited 60/91, Moo 3 Siam Eastern, Industrial Park, Marbyangporn, Sub-district, Plauk Daeng District, Rayong, Thailand	Foreign Company	Subsidiary Company	33.92	2(87)
11	Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi Muhittin Mahallesi Cetin Emec, Bulvari, Acun Sokak, Cemil Bayram, Apt. No.7/1, Corlu/Tekirdag, Turkey	Foreign Company	Subsidiary Company	51.00	2(87)
12	Polyplex Europe BV Zuidplein 126, WTC, Tower H, Floor 15, 1077XV Amsterdam, Netherlands	Foreign Company	Subsidiary Company	51.00	2(87)

* Voluntarily wound up on June 5, 2020.

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (including Promoter Group)									
(1) Indian									
a) Individual/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	20,10,202	-	20,10,202	6.28	20,10,202	-	20,10,202	6.28	-
e) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
f) Any other (Director and their relative)	2,59,060	-	2,59,060	0.81	2,59,060	-	2,59,060	0.81	-
SUB TOTAL:(A) (1)	**22,69,262**		**22,69,262**	**7.09**	**22,69,262**		**22,69,262**	**7.09**	**-**
(2) Foreign									-
a) Individuals (Non Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Bodies Corporates	1,31,58,134	-	1,31,58,134	41.14	1,31,58,134	-	1,31,58,134	41.14	-
c) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
d) Any other (Directors and their relatives)	5,74,138	-	5,74,138	1.80	5,74,138	-	5,74,138	1.80	-
SUB TOTAL (A) (2)	**1,37,32,272**	**-**	**1,37,32,272**	**42.93**	**1,37,32,272**	**-**	**1,37,32,272**	**42.93**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	**1,60,01,534**	**-**	**1,60,01,534**	**50.03**	**1,60,01,534**	**-**	**1,60,01,534**	**50.03**	**-**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	15,32,318	-	15,32,318	4.79	17,88,694	-	17,88,694	5.59	0.80
b) Alternate Investment Funds	62,000	-	62,000	0.19	3,50,000	-	3,50,000	1.09	0.90
b) Financial Institutions/Banks	84,500	7,500	92,000	0.29	29,345	7,500	36,845	0.12	(0.17)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-		-	-	-		-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	6,85,460	-	6,85,460	2.14	12,53,321		12,53,321	3.92	1.78
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)			-	-			-	-	-
SUB TOTAL (B)(1):	**23,64,278**	**7,500**	**23,71,778**	**7.42**	**34,21,360**	**7,500**	**34,28,860**	**10.72**	**3.30**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	44,82,719	3,600	44,86,319	14.03	20,75,730	3,600	20,79,330	6.50	(7.53)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	33,96,383	2,86,797	36,83,180	11.52	40,66,930	2,61,377	43,28,307	13.53	2.02
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lac	27,26,120	-	27,26,120	8.52	37,27,145	-	37,27,145	11.65	3.13
c) Others (specify):									
(c-i) NRIs	21,29,530	7,100	21,36,630	6.68	16,01,961	7,100	16,09,061	5.03	(1.65)
(c-ii) OCB	-	2,400	2,400	0.01	-	2,400	2,400	0.01	-
(c-iii) Directors and Relatives	1,000	-	1,000	0.00	4,584	-	4,584	0.01	0.01
(c-iv) Hindu Undivided Family	3,23,823	-	3,23,823	1.01	3,56,853	-	3,56,853	1.12	0.10
(c-v) Trusts	3,850	-	3,850	0.0	10,230	-	10,230	0.03	0.02
(c-vi) NBFC Registered with RBI	113	-	113	0.0	-	-	-	-	(0.00)
(c-vii) Clearing Members	29,590	-	29,590	0.1	2,09,852	-	2,09,852	0.66	0.56
(c-viii) Unclaimed Suspense Account	6,800	-	6,800	0.0	6,200	-	6,200	0.02	(0.00)
(c-viii) IEPF	2,11,463	-	2,11,463	0.7	2,20,244	-	2,20,244	0.69	0.03
SUB TOTAL (B)(2):	**1,33,11,391**	**2,99,897**	**1,36,11,288**	**42.56**	**1,22,79,729**	**2,74,477**	**1,25,54,206**	**39.25**	**(3.30)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**1,56,75,669**	**3,07,397**	**1,59,83,066**	**49.97**	**1,57,01,089**	**2,81,977**	**1,59,83,066**	**49.97**	**-**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**3,16,77,203**	**3,07,397**	**3,19,84,600**	**100.00**	**3,17,02,623**	**2,81,977**	**3,19,84,600**	**100.00**	**-**

(ii) SHARE HOLDING OF PROMOTERS (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Mahalaxmi Trading & Investments Co. Limited	76,22,390	23.83	-	76,22,390	23.83	-	-
2	Secure Investments Limited	55,35,744	17.31	-	55,35,744	17.31	-	-
3	Sanjiv Sarita Consulting Private Limited	13,90,924	4.35	-	13,90,924	4.35	-	-
4	Utkarsh Trading & Holdings Limited	4,11,278	1.29	-	4,11,278	1.29	-	-
5	Bhilangana Hydro Power Limited	2,08,000	0.65	-	2,08,000	0.65	-	-
6	Mr. Sanjiv Saraf	3,25,138	1.02	-	3,25,138	1.02	-	-
7	Ms. Amla Saraf	2,59,000	0.81	-	2,59,000	0.81	-	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
8	Ms. Sakhi Saraf	2,45,000	0.77	-	2,45,000	0.77	-	-
9	Mr. Sanjiv Chadha	4,000	0.01	-	4,000	0.01	-	-
10	Mr. Narayandas Durgaprasadji Saraf	20	0.00	-	20	0.00	-	-
11	Ms. Urmiladevi Narayandas Saraf	20	0.00	-	20	0.00	-	-
12	Ms. Sarita Saraf	20	0.00	-	20	0.00	-	-
	Total	**1,60,01,534**	**50.03**	**-**	**1,60,01,534**	**50.03**	**-**	**-**

(iii) Change in Promoter's Shareholding (including Promoter Group) (Please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)		Increase / Decrease in Shareholding		specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Shareholding at the end of the year (As on March 31, 2020)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares		No. of shares	% of total shares of the Company
1	There was no change in the Promoter's Shareholding during the period April 1, 2019 to March 31, 2020.							

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

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	Specifying the reasons for increase/decrease (e.g. allotmenttransfer/ bonus/sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	**Reliance Capital Trustee Co Ltd.-Reliance Small Cap Fund**							
	April 1, 2019	15,32,318	4.79%	April 1, 2019	Opening	NA	15,32,318	4.79%
				June 30, 2019	0	NA	15,32,318	4.79%
				September 30, 2019	0	NA	15,32,318	4.79%
				December 31, 2019	2,48,926	Transfer	17,81,244	5.57%
	At the end of the year			March 31, 2020	7,450	Transfer	17,88,694	5.59%
2	**Keswani Haresh**							
	April 1, 2019	11,01,793	3.44%	April 1, 2019	Opening	NA	11,01,793	3.44%
				June 30, 2019	0	NA	11,01,793	3.44%
				September 30, 2019	0	NA	11,01,793	3.44%
				December 31, 2019	-16,330	Transfer	10,85,463	3.39%
	At the end of the year			March 31, 2020	-85,463	Transfer	10,00,000	3.13%
3	**Akash Bhanshali**							
	April 1, 2019	3,10,848	0.97%	April 1, 2019	Opening	NA	3,10,848	0.97%
				June 30, 2019	0	NA	3,10,848	0.97%
				September 30, 2019	1,93,941	Transfer	5,04,789	1.58%
				December 31, 2019	20,187	Transfer	5,24,976	1.64%
	At the end of the year			March 31, 2020	0	NA	5,24,976	1.64%
4	**Ricky Ishwardas Kirpalani^^**							
	April 1, 2019	9,10,868	2.85%	April 1, 2019	Opening	NA	9,10,868	2.85%
				June 30, 2019	0	NA	9,10,868	2.85%
				September 30, 2019	-1,55,808	Transfer	7,55,060	2.36%
				December 31, 2019	-94,552	Transfer	6,60,508	2.07%
	At the end of the year			March 31, 2020	-2,08,669	Transfer	4,51,839	1.41%

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	Specifying the reasons for increase/decrease (e.g. allotmenttransfer/ bonus/sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5	**Soyuz Trading Company Limited**							
	April 1, 2019	3,24,553	1.01%	April 1, 2019	Opening	NA	3,24,553	1.01%
				June 30, 2019	-2,500	Transfer	3,22,053	1.01%
				September 30, 2019	0	NA	3,22,053	1.01%
				December 31, 2019	0	NA	3,22,053	1.01%
	At the end of the year			March 31, 2020	81,926	Transfer	4,03,979	1.26%
6	**Abakkus Emerging Opportunities Fund-1**							
	April 1, 2019	0	0.00%	April 1, 2019	Opening	NA	0	0.00%
				June 30, 2019	0	NA	0	0.00%
				September 30, 2019	1,20,000	Transfer	1,20,000	0.38%
				December 31, 2019	1,30,000	Transfer	2,50,000	0.78%
	At the end of the year			March 31, 2020	1,00,000	Transfer	3,50,000	1.09%
7	**Vasundhara Pasari**							
	April 1, 2019	3,10,467	0.97%	April 1, 2019	Opening	NA	3,10,467	0.97%
				June 30, 2019	0	NA	3,10,467	0.97%
				September 30, 2019	0	NA	3,10,467	0.97%
				December 31, 2019	0	NA	3,10,467	0.97%
	At the end of the year			March 31, 2020	0	NA	3,10,467	0.97%
8	**Lucky Holdings Private Limited**							
	April 1, 2019	58,315	0.18%	April 1, 2019	Opening	NA	58,315	0.18%
				June 30, 2019	0	NA	58,315	0.18%
				September 30, 2019	0	Transfer	58,315	0.18%
				December 31, 2019	0	Transfer	58,315	0.18%
	At the end of the year			March 31, 2020	1,88,702	Transfer	2,47,017	0.77%
9	**Urmila Pasari**							
	April 1, 2019	2,32,781	0.73%	April 1, 2019	Opening	NA	2,32,781	0.73%
				June 30, 2019	0	NA	2,32,781	0.73%
				September 30, 2019	0	NA	2,32,781	0.73%
				December 31, 2019	0	NA	2,32,781	0.73%
	At the end of the year			March 31, 2020	0	NA	2,32,781	0.73%
10	**Pankaj Jayantilal Patel**							
	April 1, 2019	0	0.00%	April 1, 2019	Opening	NA	0	0.00%
				June 30, 2019	0	NA	0	0.00%
				September 30, 2019	0	NA	0	0.00%
				December 31, 2019	0	NA	0	0.00%
	At the end of the year			March 31, 2020	1,68,800	Transfer	1,68,800	0.53%
11	**Ashmavir Financial Consultants Private Limited***							
	April 1, 2019	1,27,100	0.40%	April 1, 2019	Opening	NA	1,27,100	0.40%
				June 30, 2019	4,000	Transfer	1,31,100	0.41%
				September 30, 2019	20,770	Transfer	1,51,870	0.47%
				December 31, 2019	15,000	Transfer	1,66,870	0.52%
	At the end of the year			March 31, 2020	1,000	Transfer	1,67,870	0.52%
12	**Vistra Itcl (India) Limited*, ^,#**							
	April 1, 2019	20,81,781	6.51%	April 1, 2019	Opening	NA	20,81,781	6.51%
				June 30, 2019	-3,37,763	Transfer	17,44,018	5.45%
				September 30, 2019	-9,47,846	Transfer	7,96,172	2.49%
				December 31, 2019	-4,21,129	Transfer	3,75,043	1.17%
	At the end of the year			March 31, 2020	-3,66,447	Transfer	8,596	0.03%
13	**Finquest Securities Private Limited***							
	April 1, 2019	3,57,000	1.12%	April 1, 2019	Opening	NA	3,57,000	1.12%
				June 30, 2019	54,800	NA	4,11,800	1.29%
				September 30, 2019	-3,94,800	Transfer	17,000	0.05%
				December 31, 2019	0	Transfer	17,000	0.05%
	At the end of the year			March 31, 2020	-17,000	Transfer	0	0.00%

Notes

1 *Not in the list of Top Ten Shareholders as on 31.03.2020.

2 ^ Holds shares in its name in trust for K2 Family Pvt. Trust.

3 ^^Shares held in more than one account have been consolidated.

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

5 #Formerly known as IL & FS Trust Company Ltd

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2019)		Increase / Decrease in Shareholding		Specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	Shareholding at the end of the year (as on March 31, 2020)	
		No. of Shares	% of total shares of the Company	Date	No. of Shares		No. of shares	% of total shares of the Company
A	**DIRECTORS:**							
1	Mr. Sanjiv Saraf	3,25,138	1.02	--	--	--	3,25,138	1.02
2	Mr. Pranay Kothari*	--	--	--	--	--	--	--
3	Dr. Suresh Inderchand Surana**	200	0.00	--	--	--	200	0.00
4	Mr. Brij Kishore Soni	--	--	--	--	--	--	--
5	Mr. Sanjiv Chadha	4,000	0.01	--	--	--	4,000	0.01
6	Mr. Jitender Balakrishnan	--	--	--	--	--	--	--
7	Ms. Pooja Haldea	--	--	--	--	--	--	--
8	Mr. Ranjit Singh	--	--	--	--	--	--	--
B.	**KEY MANAGERIAL PERSONNEL (KMPs) OTHER THAN WHOLE TIME DIRECTOR:**							
1	Mr. Manish Gupta (Chief Financial Officer)	--	--	--	--	--	--	--
2	Mr. Ashok Kumar Gurnani (Company Secretary)	3,152	0.01	--	--	--	3,152	0.01

* Mr. Pranay Kothari is Whole Time Director and Key Managerial Personnel of the Company.

** Dr. Suresh Inderchand Surana has been re-appointed as Independent Director for second tenure of 5 years from July 10, 2019 to July 9, 2024.

V INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtness at the beginning of the Financial Year (01.04.2019)				
i) Principal Amount	20,989.62	777.12	-	21,766.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.73	1.54	-	10.27
Total (i+ii+iii)	**20,998.35**	**778.66**	**-**	**21,777.01**
Change in Indebtedness during the Financial Year				
Additions	3,218.00	1,507.92	-	4,725.91
Reduction	9,053.91	778.66	-	9,832.56
Net Change	**(5,835.91)**	**729.26**	**-**	**(5,106.65)**
Indebtedness at the end of the Financial Year (31.03.2020)				
i) Principal Amount	15,161.96	1,507.92	-	16,669.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.48	-	-	0.48
Total (i+ii+iii)	**15,162.44**	**1,507.92**	**-**	**16,670.36**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager Mr. Pranay Kothari (Whole Time Director & Key Managerial Personnel)
1	**Gross salary***	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,69,87,600
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,35,501
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	--
2	Stock option	--
3	Sweat Equity	--
4	Commission:	
	as % of profit	--
	others (specify)	--
5	Others (Contribution of employer to Provident Fund and Superannuation Fund)	21,55,920
	Total (A)	**3,93,79,021**
	Ceiling as per the Act	**16,42,52,000**

*Includes Performance Award of ₹ 150 Lacs for the Financial year 2019-20 provided in the accounts, which has been approved for payment by the Board of Directors on the recommendations of Nomination and Remuneration Committee.

B. Remuneration to other directors:

1. Independent Directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Director: Dr. Suresh Inderchand Surana*	Mr. Brij Kishore Soni	Mr. Jitender Balakrishnan	Ms. Pooja Haldea	Mr. Ranjit Singh	Total Amount
1	(a) Fee for attending Board/ Committee meetings	50,000	10,00,000	7,50,000	6,00,000	4,00,000	28,00,000
2	(b) Commission	--	--	--	--	--	
3	(c) Others, please specify	--	--	--	--	--	
	Total B (1)	**50,000**	**10,00,000**	**7,50,000**	**6,00,000**	**4,00,000**	**28,00,000**

*Dr. Suresh Inderchand Surana has been re-appointed as Independent Director for second tenure of 5 years from July 10, 2019 to July 9, 2024.

2. Other Non Executive Directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Director: Mr. Sanjiv Saraf	Mr. Sanjiv Chadha	Total Amount
1	(a) Fee for attending Board/ Committee meetings	2,50,000	1,50,000	4,00,000
2	(b) Commission	3,10,00,000	--	3,10,00,000
3	(c) Others, please specify	--	--	--
	Total B (2)	**3,12,50,000**	**1,50,000**	**3,14,00,000**
	Total (B)=(B1+B2)			**3,42,00,000**
Total Managerial Remuneration (A+B)				**7,35,79,021**
Overall Ceiling as per the Companies Act #				**19,71,02,000**

The above overall ceiling is exclusive of any fees payable to Directors by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, pursuant to provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder.

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

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Manish Gupta Chief Financial Officer	Mr. Ashok Kumar Gurnani, Company Secretary	
1	Gross Salary	1,82,90,000	94,54,783	2,77,44,783
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	13,000	13,000
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	--	--	--
2	Stock Option		--	-
3	Sweat Equity	--	--	-
4	Commission:	--	--	-
	as % of profit	--	--	-
	others, specify	--	--	-
5	Others (Contribution of employer to Provident Fund and Superannuation Fund)	6,72,432	4,10,496	10,82,928
	Total	**1,89,62,432**	**98,78,279**	**2,88,40,711**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} the details of Corporate Governance and processes including prescribed compliances by the Company are as follows:

1. Company's philosophy on Code of Governance

The quintessential elements of Corporate Governance are fairness, transparency, accountability and responsibility. At Polyplex, the emphasis is on:

a) Enhancement of Shareholder value.

b) Protection of the interest of the public shareholders.

c) Long-term financial health of the Company.

d) Providing customers with quality products and services at competitive prices.

e) Environment friendly production methods.

f) Providing for fair wage and safe working conditions for employees and inviting inputs from employees in decision-making.

g) Contribution to the socio-economic development of the local community.

2. Board of Directors

a) Composition:

The Board is well structured with an adequate blend of Executive and Non-Executive Directors. As on March 31, 2020, the Board consists of Eight Directors of which one is Executive Director and seven are Non-Executive Directors including one Woman Director. More than one half of the Board of Directors are Independent.

Mr. Pranay Kothari is an Executive Director of the Company.

Mr. Sanjiv Saraf and Mr. Sanjiv Chadha are from Promoters' Category and are Non- Executive and Non-Independent Directors.

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

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

Dr. Suresh Inderchand Surana, Non-Executive Independent Director of the Company was appointed as an Independent Director w.e.f. July 10, 2019.

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

b) Board Meetings :

During the Financial Year 2019-20, Six Board Meetings were held on May 17, 2019, June 17, 2019, July 10, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings, previous Annual General Meeting and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2020 are given as follows:

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Director-ships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
A. Non-Executive Directors							
A.1 Promoters Category							
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	2 out of 6	No	5	Nil	Nil	Nil
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	3 out of 6	No	Nil	Nil	Nil	Nil
A.2 Independent Directors							
Mr. Brij Kishore Soni DIN: 00183432	Independent	6 out of 6	No	Nil	Nil	Nil	Nil
Dr. Suresh Inderchand Surana**** DIN: 00009757	Independent	1 out of 3	No	Nil	Nil	Nil	Nil

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Director-ships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
Mr. Jitender Balakrishnan DIN: 00028320	Independent	5 out of 6	No	9	6	2	India Glycols Limited (Independent, Non- Executive) Sarda Energy & Minerals Limited (Independent, Non- Executive) Bharti Infratel Limited (Independent, Non- Executive) CG Power and Industrial Solutions Limited (Independent, Non- Executive)
Ms. Pooja Haldea DIN: 07123158	Independent	5 out of 6	No	Nil	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	5 out of 6	No	1	1	Nil	Shaily Engineering Plastics Limited (Independent, Non- Executive)
B. Executive Director							
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	6 out of 6	No	3	1	Nil	Nil

*Only Indian Public Limited Companies are considered.

** For determining the Chairmanship/Membership of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered (Excluding this Company).

*** Chairman of the Audit Committee & Stakeholders' Relationship Committee could not attend the AGM due to pre-occupation with other commitments.

**** Dr. Suresh Inderchand Surana (Independent Director) was appointed as Independent Director on the Board of the Company w.e.f. July 10, 2019.

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all public companies whether listed or unlisted (including Polyplex Corporation Limited), in which he/she is a director.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding of diverse business environment, global markets, economic conditions, cultures and regulatory framework.
Leadership	Understanding of the organizations, processes, strategic planning and risk management.
Governance	Commitment in developing good governance practices in the best Interest of all stakeholders, maintaining board and management accountability, high regard for corporate ethics and values.
Financial	Leadership and proficiency in finding solution to complex financial management, capital allocation, financial reporting etc.
Sales and Marketing	Expertise in developing strategies to develop new products, grow sales and market share.

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

S. No.	Name of Director	No. of shares held as on March 31, 2020
1	Mr. Sanjiv Saraf	3,25,138
2	Mr. Sanjiv Chadha	4,000
3	Dr. Suresh Inderchand Surana	200

d) Information placed before the Board includes :

The Board is supplied with the necessary information as stipulated in Part A of Schedule II of SEBI (LODR) Regulations, 2015, to the extent applicable.

e) Review of Compliance Report :

The periodical reports submitted by the Internal Auditors and are reviewed by the concerned Heads of Departments of the Company with regards to compliance of Laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, are reviewed by Audit Committee and the Board of Directors as per Regulation 17 (3) of SEBI (LODR) Regulations, 2015.

Compliance Certificate signed by the Executive Director and Chief Financial Officer is placed before the Board of Directors as specified in Part B of Schedule II of SEBI (LODR) Regulations, 2015.

f) Code of Conduct :

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and they have affirmed the compliance of the same. A copy of the Code of Conduct is also posted on the website of the Company viz. www.polyplex.com.

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

3. Audit Committee

a) Composition:

The Company has a qualified and independent Audit Committee. The Audit Committee comprises of following Non-Executive Directors viz. Mr. Brij Kishore Soni, Ms. Pooja Haldea, and Mr. Jitender Balakrishnan. All the members of Audit Committee are Independent.

Mr. Brij Kishore Soni an Independent Director is the Chairman of Audit Committee. All the members of Audit Committee are financially literate within the meaning of Regulation 18 (1) (c) SEBI (LODR) Regulations, 2015.

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

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

b) Meetings :

During the Financial Year 2019-20, Five meetings of Audit Committee were held on May 17, 2019, July 10, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. The maximum time gap between two consecutive meetings was not more than 120 days.

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

Name of Member	Meetings attended
Mr. Brij Kishore Soni	5 out of 5
Ms. Pooja Haldea	5 out of 5
Mr. Jitender Balakrishnan	5 out of 5

c) Powers and Role :

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Companies Act, 2013/ SEBI (LODR) Regulations, 2015(as amended), include the following:

i. Powers :

(a) To investigate any activity within its terms of reference.

(b) To seek information from any employee.

(c) To obtain outside legal or other professional advice.

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. Role :

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

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

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

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

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

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

iv. Significant adjustments made in the Financial Statements arising out of audit findings.

v. Compliance with listing and other legal requirements relating to Financial Statements.

vi. Disclosure of any Related Party Transactions.

vii. Modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(u) Reviewing the utilization of loans and/ or advances from investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

(v) Review compliance of the Insider Trading Prohibition code and verify that the systems for internal control are adequate and operating effectively

d) Review of information:

The Audit Committee mandatorily reviews the following information:

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

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

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

iv. Internal Audit Reports relating to internal control weaknesses;

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

vi. Statement of deviations:

a). Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.

b). Annual statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Composition:

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

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

During the Financial Year 2019-20, Four meetings of the Nomination and Remuneration Committee were held on May 17, 2019, July 10, 2019, August 13, 2019 and November 14, 2019.

All the Members of the Nomination and Remuneration Committee attended the meeting.

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

Name of Member	Meetings attended
Mr. Jitender Balakrishnan	4 out of 4
Mr. Brij Kishore Soni	4 out of 4
Mr. Sanjiv Saraf	2 out of 4

b) Terms of reference:

The Role of the Nomination and Remuneration Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015 (as amended), include the following:

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

ii. Formulate criteria for evaluation of performance of Independent Directors and the Board and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

iv. To carry out evaluation of every Director's performance.

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

vi. To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.

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

viii. To devise a policy on Board diversity.

ix. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

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

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

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

i. Executive Director

Mr. Pranay Kothari:

Following remuneration has been paid to Mr. Pranay Kothari, Executive Director for the Financial Year 2019-20:

Salary, Allowances, PF & SA	₹ 3,91,43,520
Perquisites	₹ 2,35,501
Total#	₹ 3,93,79,021

Includes Performance Award of ₹ 150.00 Lacs for the Financial Year 2019-20, provided in the accounts which has since been approved for payment by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2018 and ending on September 6, 2021. Appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party after giving to the other, six calendar months notice in writing or salary in lieu thereof. No payment on account of severance fees has been stipulated.

No performance linked incentive has been paid to Mr. Pranay Kothari during the year.

Executive Director is not liable to retire by rotation.

ii. Non-Executive Directors

Non-Executive Directors of the Company were paid sitting fees @ ₹ 50,000/- per meeting for attending meetings of the Board or any Committee(s) thereof, in addition to the reimbursement/provision of travelling/stay/expenses as per rules of the Company. Further, Non-Executive Directors of the Company are not paid any remuneration except Mr. Sanjiv Saraf who receives commission upto 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013, as approved by members.

The details of payment of Sitting Fee to Non-Executive Directors during the year 2019-20 are given below:

S. No.	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf*	2,50,000
2.	Mr. Brij Kishore Soni	10,00,000
3.	Mr. Sanjiv Chadha	1,50,000
4.	Dr. Suresh Inderchand Surana	50,000
5.	Mr. Jitender Balakrishnan	7,50,000
6.	Ms. Pooja Haldea	6,00,000
7.	Mr. Ranjit Singh	4,00,000

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

*In addition to payment of Sitting Fee, Mr. Sanjiv Saraf has been paid commission of ₹ 275.00 Lacs during the year 2019-20 out of provision made in the last year. Further, Board of Directors have approved payment of Commission of ₹ 310.00 Lacs for the Financial Year 2019-20 to Mr. Sanjiv Saraf, Chairman and Non Executive Director in terms of Special Resolution passed by the Members in the Annual General Meeting held on September 5, 2019.

Mr. Sanjiv Saraf held the position as Managing Director of Polyplex (Thailand) Public Company Limited, Thailand w.e.f. May 15, 2019 to May 21, 2020. He continues to be director and Vice-Chairman of Polyplex (Thailand) Public Company Limited, Thailand. During the financial year he has received remuneration of ₹ 73.11 Lacs.

Mr. Sanjiv Saraf has been appointed as Managing Director of Polyplex (Asia) Pte. Limited, Singapore, which will come into effect from the date of his joining on completion of statutory approvals etc.

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

5. Stakeholders' Relationship Committee

a) Composition:

The Board has constituted Stakeholders' Relationship Committee comprised of Mr. Brij Kishore Soni, Non-Executive Independent Director and Mr. Pranay Kothari, Executive Director and Ms. Pooja Haldea. Mr. Brij Kishore Soni is the Chairman of the Committee.

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

b) Role:

The Role of the Stakeholders' Relationship Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015(as amended), include the following:

(i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

c) Meetings:

This Committee meets as and when required. During the Financial Year 2019-20, One such meeting was held on February 13, 2020.The meeting was attended by all the directors.

d) Investor Grievance Redressal:

Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2019-20 is as follows:

Opening: 2 Received: 6 Resolved: 8 Pending: 0

As on March 31, 2020, no request for registration of transfer of shares/ dematerialization was pending.

e) Process of transfer of shares:

All complete and valid requests for transfer/transmission of shares are given effect by the Registrar and Transfer Agent viz: KFin Technologies Private Limited to within the time stipulated in the SEBI (LODR) Regulations, 2015.

6. Corporate Social Responsibility (CSR) Committee

a) Composition:

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

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

b) Role:

The Role of the Corporate Social Responsibility Committee, constituted by Board of Directors pursuant to Companies Act, 2013 (as amended), include the following:

I. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII.

II. Recommend to the Board amount to be spent on various CSR activities in a year.

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

IV. Monitor the CSR policy of the Company from time to time.

V. To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

c) Meeting:

During the Financial Year 2019-20, two meetings of the CSR Committee were held on July 10, 2019 and February 13, 2020.

Name of Member	Meetings attended
Mr. Sanjiv Saraf	1 out of 2
Mr. Ranjit Singh	2 out of 2
Mr. Brij Kishore Soni	2 out of 2

7. Finance Committee

a) Composition:

The Board has constituted a Finance Committee comprising of following Directors viz. Mr. Sanjiv Saraf, Mr. Pranay Kothari and Mr. Brij Kishore Soni to decide, inter alia, financial matters of the Company viz. short term loans, working capital facilities, deployment of surplus funds and other incidental matters.

Mr. Sanjiv Saraf is the Chairman of the Committee.

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

b) Meetings:

During the Financial Year 2019-20, one meeting of the Finance Committee was held on March 19, 2020. The Meeting was attended by Mr. Pranay Kothari and Mr. Brij Kishore Soni.

8. Risk Management Committee

(a) Composition:

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

(b) Role:

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

9. Independent Directors, their meetings and Familiarization Programme

During the Financial Year 2019-20, Five Independent Directors served on the Board i.e. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana, (w.e.f July 10, 2019) Ms. Pooja Haldea and Mr. Ranjit Singh.

All requirements with respect to appointment of Independent Directors and their holding of directorships in other listed entities, as specified in Regulation 25 of SEBI (LODR) Regulations, 2015 are complied with.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

As required by provisions of the Companies Act, 2013/ SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on July 10, 2019, without the presence of non-independent directors and members of the management. This meeting was chaired by Mr. Jitender Balakrishnan and attended by all the Independent Directors.

Independent Directors of the Company in their aforesaid meeting reviewed the performance of Non-Independent Directors and the Board as a whole as also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors.

Performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the director being evaluated. For evaluation of performance inter alia following criteria viz. Knowledge and Skill, Participation at Board/ Committee Meetings, Managing Relationships and Personal Attributes is followed. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

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

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

10. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Board of Directors review and monitor the performance of its subsidiary companies by way of:

a) Approving, 'in principal', their capital expenditure plans, business expansion plans, investment / disinvestment plans;

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

c) Reviewing all significant/ material transactions and arrangements;

d) Minutes/ materially important decisions.

11. Related Party Transactions

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

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

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

12. General Meetings:

(i) The details about the Annual General Meetings/ Extra Ordinary General Meeting are given below:

AGM/EGM	Financial Year	Date of Meeting	Location of the Meeting	Time
34th AGM	2018-19	05.09.2019	Registered Office at Khatima	11.00 a.m
EGM	2018-19	30.03.2019	Registered Office at Khatima	11.00 a.m
33rd AGM	2017-18	29.09.2018	Registered Office at Khatima	11.00 a.m
32nd AGM	2016-17	11.09.2017	Registered Office at Khatima	11.00 a.m.

(ii) Special Resolutions passed at the Annual General Meetings/ Extra Ordinary General Meeting:

Financial Year/ Date of Annual General Meeting/ Extra Ordinary General Meeting	Subject
September 5, 2019	**Annual General Meeting:** Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for appointment of Dr. Suresh Inderchand Surana (DIN: 00009757) as an Additional Director of the Company with effect from July 10, 2019 as an Independent Non-Executive Director of the Company, for the second term of five consecutive years upto July 9, 2024. Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Ms. Pooja Haldea (DIN : 07123158), Independent Non Executive Director of the Company for second term of five consecutive years with effect from March 30, 2020 to March 29, 2025. Resolution pursuant to Section 197, 198 & 203 and Schedule V of the Companies Act, 2013 for restructure the remuneration payable to Mr. Pranay Kothari (DIN : 00004003), Whole Time Director of the Company designated as Executive Director (Key Managerial Personnel), for the period from April 1, 2019 to September 6, 2021.
March 30, 2019	**Extra Ordinary General Meeting:** Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Mr. Brij Kishore Soni (DIN : 00183432), Independent Non Executive Director of the Company for the second term of five consecutive years w.e.f. April 1,2019 to March 31, 2024. Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Mr. Jitender Balakrishnan (DIN: 00028320), Independent Non Executive Director of the Company for the second term of five consecutive years w.e.f. April 1, 2019 to March 31, 2024.
September 29, 2018	**Annual General Meeting:** Resolution pursuant to Section 197, 198 & 203 and Schedule V of the Companies Act, 2013 for re-appointment of Mr. Pranay Kothari (DIN : 00004003) as Whole Time Director designated as Executive Director and fixation of remuneration for a term of three years w.e.f. September 7, 2018
2016-17/ September 11, 2017	No Special Resolution was required to be passed at the Annual General Meeting.

(iii) Two Special Resolutions are proposed to be passed at the ensuing Annual General Meeting relating to

a) Reappointment of Mr. Ranjit Singh as Independent Non-Executive Director for second term of five consecutive year w.e.f. May 12, 2021;and

b) Payment of commission upto 1% p.a. of the Net Profit of the Company to Mr. Sanjiv Saraf for the financial year 2020-21.

(iv) During the Financial Year 2019-20 no resolution was required to be passed by way of postal ballot.

Company has been providing to its Members e-voting facility in respect of agenda items placed before the Annual General Meetings/Extra-Ordinary General Meeting held since the provision of the requirement.

13. Certificate From Practicing Company Secretary for disqualification of Director

A certificate has been received from RSM & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company has 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 statutory authority. Certificate annexed.

14. Other Disclosures Pursuant to Schedule V (c) (10) of SEBI LODR, 2015:

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

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

(c) The Company has formulated Whistle Blower Policy and the same has been posted on website of the Company at www.polyplex.com. No employee of the Company has been denied access to the Audit Committee to make any representation.

(d) Company has complied with the mandatory requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.

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

(f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.

(g) Company files quarterly compliance report on Corporate Governance with Stock Exchanges pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015 and copies thereof are placed before the next Board Meeting.

(h) As required by Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.

(i) Company has adopted discretionary requirements as specified in Para E to Schedule II to SEBI (LODR) Regulations, 2015 to the extent to maintenance of Chairperson's office, having separate posts of Chairperson and Chief Executive Officer, moving towards a regime of Financial Statements with unmodified opinion and reporting of Internal Auditor directly to Audit Committee.

(j) Company has complied the Corporate Governance requirement specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 except Regulation 18(1)(d), 20(3) and 24(1).

15. Company's Website and its Policies with Weblinks:

Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/SEBI (LODR) Regulations, 2015. These Policies/ Codes are available on the website of the Company and the weblinks of these Policies/Codes are mentioned against their respective names:

a) Corporate Social Responsibility (CSR) Policy:

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf

b) Nomination & Remuneration Policy:

https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLNRCPolicy.pdf

c) Whistle Blower Policy (Policy on vigil mechanism)

https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLWhistleBlowerPolicy.pdf

d) Policy on Related Party Transactions:

https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf

e) Policy for determining 'Material Subsidiaries':

https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.pdf

f) Code of Conduct for Board Members and Senior Management:

https://www.nseprimeir.com/z_Polyplex/pdf-files/CodeofConductforBoardMembersandSeniorManagement.pdf

g) Familiarisation programme for Independent Directors:

https://www.nseprimeir.com/z_Polyplex/pdf-files/Familiarisation_Programme.pdf

h) Code of Conduct for Insider Trading/ Code of Practices & Procedures for fair Disclosure of Unpublished Price Sensitive Information:

https://www.nseprimeir.com/z_Polyplex/pdf-files/Code_of_Practices2015.pdf

i) Code Of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated persons:

https://www.nseprimeir.com/z_Polyplex/pdf-files/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING.pdf

j) Policy for preservation and archival of documents:

https://www.nseprimeir.com/z_Polyplex/pdf-files/PCL_Policy_for_Preservation_of_Documents.pdf

k) Policy for Dividend Distribution:

https://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distributioin_Policy_25072017.pdf

16. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries during the year 2019-20, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follow:

Type of Service	₹ in Lacs
Audit Fee	85.07
Tax Audit Fee	4.00
Certification & Other Fees	2.30
Out of Pocket Expenses	1.05
Total	**92.42**

17. Complaints pertaining to sexual harassment

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment are provided in the Directors' Report of this Annual Report.

18. CEO/ CFO Certification (Compliance Certificate)

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Compliance Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 25, 2020.

19. Means of Communication

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

b. The quarterly/ half yearly/ yearly results are generally published in the 'Business Standard' (English - all editions) and 'Uttar Ujala, Nainital' (Hindi), within the prescribed time limit.

c. Management Discussion and Analysis forms part of the Annual Report, which is sent on email/through courier/ posted on the website of the Company.

Declaration by the Chief Executive Officer pursuant to Para D to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

I hereby confirm that:

The Company has obtained affirmations from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management for the Financial Year 2019-20.

Sd/-

Date : July 20, 2020 — **Pranay Kothari**

Place : New Delhi — Executive Director

General Shareholders Information

I.	**Annual General Meeting Date, Time and Venue :**	August 31, 2020, 9.15 a.m. through VC/OAVM. Deemed venue of meeting shall be (Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand)
II.	**Financial Year:**	April 1, 2019 to March 31, 2020
III.	**Book Closure Date:**	August 27, 2020 to August 31, 2020 (both days inclusive)
IV.	**Dividend Payment Date:**	Within 15 days from declaration by the shareholders in the Annual General Meeting.
V.	**Listing on Stock Exchanges:**	Equity Shares of the Company are listed on following Stock Exchanges: BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited, (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Mumbai – 400 051 Listing Fees for the Financial Year 2019-20 and 2020-21 has been paid to both the Stock Exchanges. Annual Custody charges for the Financial Year 2019-20 and 2020-21 have been paid to National Securities Depository Limited and Central Depository Services (India) Limited, within the prescribed time.
VI.	**Scrip Code:**	The Company's equity shares have been allotted following scrip codes/ name:- BSE Limited (BSE) **524051** National Stock Exchange of India Limited (NSE) **POLYPLEX** Reuters Code **PLYP.BO** ISIN **INE633B01018**

VII. Market Price Data:

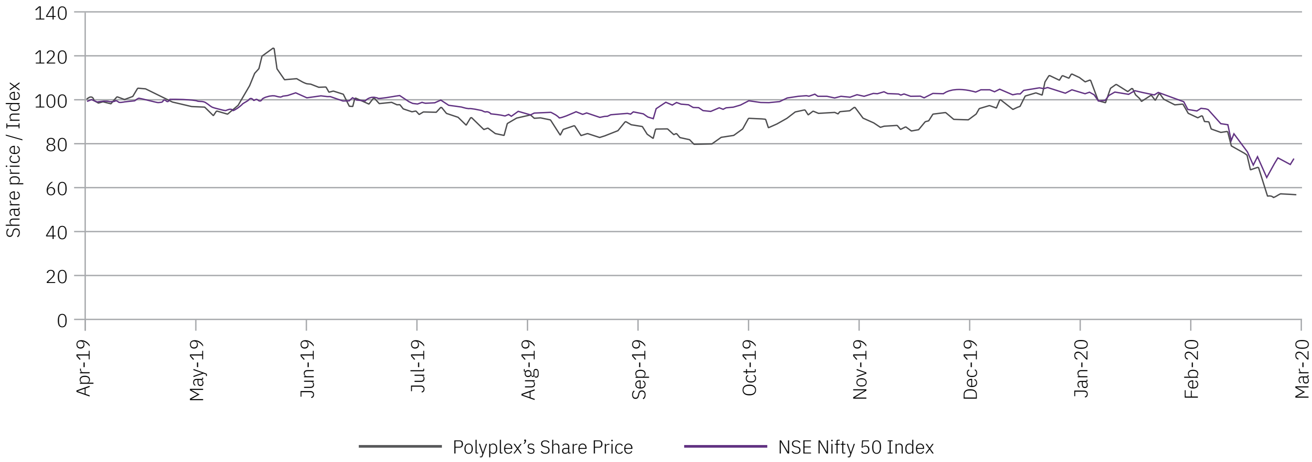
Share prices on BSE and the NSE during 2019-20 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
Apr-19	565.55	505.05	1,15,340	564.95	510.45	9,16,656
May-19	**655.00**	485.00	2,21,256	**657.30**	480.10	17,22,644
Jun-19	583.55	503.00	84,707	584.00	502.25	6,97,173
Jul-19	526.70	438.35	83,642	527.55	437.70	8,80,671
Aug-19	509.00	434.75	67,577	494.45	435.25	11,50,413
Sep-19	484.00	429.55	84,107	486.70	428.00	11,09,466
Oct-19	497.95	416.00	74,627	497.30	416.00	9,81,703
Nov-19	584.00	457.5	49,054	514.90	457.10	9,12,261
Dec-19	522.20	450.00	64,931	522.80	450.50	9,69,335
Jan-20	606.90	494.15	88,868	607.00	492.10	13,10,076
Feb-20	573.90	493.00	81,781	574.00	491.50	16,94,740
Mar-20	509.90	**282.5**	1,66,154	510.35	**288.00**	16,52,397
	Total		**11,82,044**	**Total**		**76,98,589**

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

VIII. Stock Performance of the Company in comparison to NSE Nifty 50 Index

Polyplex's share price movement vs. NSE Nifty 50 Index (2019-20)



IX. Registrars and Share Transfer Agents (RTA):

KFin Technologies Private Lmited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500032
Tel: +91-40-67162222
Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
Website: www.kfintech.com

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect by the Registrar and Transfer Agent viz: KFin Technologies Private Limited to within the time stipulated in the SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a). Distribution of shareholdings as on March 31, 2020:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	21,032	90.9885	1,78,72,030	5.5877
5001 to 10000	960	4.1531	76,06,650	2.3782
10001 to 20000	495	2.1415	76,70,450	2.3982
20001 to 30000	164	0.7095	41,96,460	1.312
30001 to 40000	101	0.4369	36,02,700	1.1264
40001 to 50000	69	0.2985	31,74,470	0.9925
50001 to 100000	126	0.5451	90,12,320	2.8177
100001 and above	168	0.7268	26,67,10,920	83.3873
Total	**23,115**	**100%**	**3,19,846,000**	**100%**

b). Categories of shareholders as on March 31, 2020

	Category	Shares held (Nos.)	Percentage
1.	Promoters		
a)	Indian Promoters	22,69,262	7.09
b)	Foreign Promoters	1,37,32,272	42.93
	Sub Total	**1,60,01,534**	**50.03**
2.	Non- Promoters		
a)	Mutual Funds	17,88,694	5.59
b)	Alternate Investment Funds	3,50,000	1.09
c)	Banks, Financial Institutions, and Insurance Companies	36,845	0.12
d)	Foreign Institutional Investors (FIIs)	12,53,321	3.92

	Category	Shares held (Nos.)	Percentage
e)	Bodies Corporates, NBFC & Clearing Members	22,89,182	7.16
f)	NRIs/OCBs	16,11,461	5.04
g)	Directors and Relatives	4,584	0.01
h)	Unclaimed Suspense a/c & IEPF	2,26,444	0.71
i)	Indian Public (including HUF and Trust)	84,22,535	26.33
	Sub-Total	**1,59,83,066**	**49.97**
	Grand Total	**3,19,84,600**	**100.00**

Note:

i) Total Foreign shareholding as at March 31, 2020 was 16,597,054 shares constituting 51.89%.

ii) 2(h) above includes 6,200 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account, pursuant to Clause 5A(ii) of the Listing Agreement/Part F of Schedule V of SEBI (LODR) Regulations, 2015.

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

XII. Dematerialization of shares and liquidity

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

Status of Dematerialization as on March 31, 2020

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,85,90,209	89.39	11,118
Central Depository Services (India) Limited	31,12,414	9.73	11,069
Total Dematerialized	**3,17,02,623**	**99.12**	**22,187**
Physical	2,81,977	0.88	928
Grand Total	**3,19,84,600**	**100.00**	**23,115**

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

XIV. As required by Regulation 39(4) of SEBI (LODR) Regulations, 2015 the Company has opened a demat account with a Depository Participant in the name of "Polyplex Corporation Limited - Unclaimed Suspense Account" to which all the unclaimed shares have been transferred in terms of the requirements of the said Regulations. Details of shareholders/ shares dematerialized in the said account are as follows :

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	36	6,800
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	Nil	Nil
Number of Shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	Nil	Nil
Number of Shareholders whose shares were transferred to IEPF	6	600
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	30	6,200

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

XV. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

XVI. Plant Locations

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

i. Lohia Head Road, Village Amau, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand; and

ii. Plot No.227 MI 228 MI, Banna Khera Road, Village Vikrampur – 262 401, Tehsil Bajpur, Distt. Udham Singh Nagar, Uttarakhand.

XVII. Investors Correspondence:

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

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

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
Polyplex Corporation Limited
CIN: L25209UR1984PLC011596
Lohia Head Road, Khatima - 262 308,
Distt, Udham Singh Nagar, Uttarakhand.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **POLYPLEX CORPORATION LIMITED** having L25209UR1984PLC011596 and having registered office at Lohia Head Road, Khatima - 262 308, Distt, Udham Singh Nagar, Uttarakhand (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 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.

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.

For **RSM & Co.**
Company Secretaries

Sd/-
CS RAVI SHARMA
Partner
FCS: 4468 | COP No.: 3666
UDIN F004468B000491768

Date : July 20, 2020
Place : New Delhi

Compliance Certificate on Conditions of Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by **Polyplex Corporation Limited** for the year ended March 31, 2020, as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("Listing Regulations").

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

2. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable, except that the Chairperson of Audit Committee & Stakeholders Relationship Committee could not attend the Annual General Meeting as required by Regulation 18(1)(d) & 20(3) respectively and also Independent Director(s) of the Company have not been appointed in three out of four material unlisted foreign subsidiaries pursuant to Regulation 24(1) of Listing Regulations.

3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **RSM & Co.**
Company Secretaries

Sd/-
CS RAVI SHARMA
Partner
FCS: 4468 | COP No.: 3666
UDIN F004468B000544623

Date : July 20, 2020
Place : New Delhi

Business Responsibility Report

The Company is pleased to inform that it is among the top 1000 companies as per the market capitalisation criteria as on March 31, 2020. Accordingly, pursuant to Securities and Exchange Board of India (herein after referred as 'SEBI') Circular dated November 4, 2015 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company present its first Business Responsibility Report for the financial year ended on March 31, 2020.

It may be mentioned here that the Company would also voluntarily endeavour to publish, a comprehensive Sustainability Report, based on the Global Reporting Initiative (GRI) Standards 'In Accordance - Core' framework on biennial basis. The last published Sustainability Report is available at the link https://www.polyplex.com/images/pdf/Polyplex-Corporate-Sustainability-Report-FY_2017-18.pdf.

In terms of sustainability, the Company has adopted the 3R (reduce, reuse and recycle) concept in its products, processes and operations to develop new-age packaging substrate solutions. It has taken various initiatives to recycle waste, save energy and use clean technology to reassert its environmental commitment and continuously strives to manufacture sustainable products which can gain global acceptance. Details of such sustainability initiatives are provided later in the report.

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L25209UR1984PLC011596
Name of the Company	Polyplex Corporation Limited ("the Company")
Registered Address	Lohia Head Road, Khatima Distt. Udham Singh Nagar, Uttarakhand, India
Website	www.polyplex.com
E-mail ID	investorrelations@polyplex.com
Financial Year reported	April 1, 2019 – March 31, 2020
Sector(s) that the Company is engaged in (industrial activity code-wise)	Industrial Group: Description Group: 222 Class: 2220 Sub-class: 22201 *As per National Industrial Classification – The Ministry of Statistics and Programme Implementation*
Three key product/services manufactured (as in Balance sheet)	The Company offers a wide range of plastic films across various substrates which are used in flexible packaging besides several diverse industrial applications like tapes, labels, thermal lamination, imaging and graphics, photo-voltaic and optical applications. The key products manufactured by the Company during the Financial Year 2019-20 are as below: 1. Plastic films: 1.1. Base Films: 1.1.1. Biaxially Oriented Polyester (BOPET or PET) Film - PET film is a high-performance film with a unique combination of qualities like high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness, clarity and recyclability 1.1.2. Biaxially Oriented Polypropylene (BOPP) Film - BOPP films are transparent films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications. BOPP films are made from Polypropylene resin procured locally or imported 1.2. Value added products – This segment include the downstream businesses of the Company like metallizing, silicone coating, transfer metallized paper, holography and offline chemical coating which has enabled it to offer products for a variety of applications such as general packaging, specialty packaging, electrical applications, liners, roofing and a whole gamut of other industrial applications 2. Polyester (PET) Resin: PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG). The Company produces PET resin mostly for captive consumption.

Total number of locations where business activity is undertaken by the Company: **(a) Number of International Locations** **(b) Number of National locations**	The Company began its journey from single unit operation at Khatima, Uttarakhand and today has several manufacturing & distribution / marketing centers listed as under: **Countries where Manufacturing Operations are performed** – 5 (five) viz., India, Thailand, Turkey, United States of America and Indonesia **Countries where Trading & Distribution Operations are performed** - 4 (four) viz., Turkey, Netherlands, United States of America and Singapore (trading subsidiary in China liquidated in June 2020) **Additional Countries where Warehouses are maintained** - 5 (Five) viz. Poland, Spain, Germany, Italy, Mexico **Countries where Liaison Offices are maintained** – 2 (Two) South Korea & Japan
Markets served by the Company – Local/State/National/ International:	The Company offers its products to businesses across various end-use segments such as FMCG, Pharma and industrial application sub-segments like Cable Overwrap, PV, etc. in India and abroad. The Company serves customers located in more than 75 other countries across the Globe.

Section B: Financial Details of the Company

1.	**Paid up capital (₹)**	31,98,46,000 as on March 31, 2020
2.	**Total Turnover (₹)**	1,27,278 Lacs as on March 31, 2020
3.	**Total Profit after taxes (₹)**	22,982 Lacs as on March 31, 2020
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	During the year Company has spent ₹ 121.56 Lacs on CSR, which is 0.88% of average net profits of the Company for last three years. Further details available in Report on CSR.
5.	**List of activities in which the CSR expenditures have been incurred**	Please refer Annexure C of Directors' Report

Section C: Other Details:

1.	**Does the Company have any Subsidiary Company/ Companies?**	Yes, the Company has 12 (Twelve) Subsidiaries as on March 31, 2020. All the subsidiaries are located outside India. You may also refer Annexure F (Extract of Annual Return) for details of subsidiaries.
2.	**Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company (s)**	Each subsidiary of Polyplex follows the Business Responsibility initiatives as per the laws of their respective countries. However such initiatives (mandated by law or voluntary) are also guided by the Company's Vision & Mission statements and Core Values. Polyplex, as a Group, is committed to continually work towards its BR initiatives and society development in order to have a positive impact on society, the economy and a sustainable future. In order to make its operations sustainable, the Company ensures optimum utilization of energy and other resources, better waste management through recovery, recycle and re-use of material, reduction in emissions and effluents, enhancement of awareness amongst the employees through effective communication and training.
3.	**Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [<30%, 30-60%, >60%]**	Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other related entities. However, none of them directly participate in the Business Responsibility initiatives of the Company.

Section D: BR Information

1. Details of the Director/ Directors responsible for BR

(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies:

Mr. Pranay Kothari, Executive Director and CEO of the Company is responsible for implementation of the BR policy/policies.

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00004003
2.	Name	Mr. Pranay Kothari
3.	Designation	Executive Director/ Chief Executive Officer
4.	Telephone number	+91 120 2443716-19
5.	E-mail ID	investorrelations@polyplex.com

2. Principle-wise (as per NVGs) BR policy/policies

Reference	Principle	Heading	Description
P1	Principle 1	Ethics, Transparency, Accountability	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Principle 2	Product Lifecycle Sustainability	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Principle 3	Employees' Well Being	Business should promote wellbeing of all employees
P4	Principle 4	Stakeholder Engagement	Business should respect the interests of and be responsive towards all stakeholders especially the disadvantaged, vulnerable and marginalised
P5	Principle 5	Human Rights	Business should respect and promote human rights
P6	Principle 6	Protection of The Environment	Business should respect, protect and make efforts to restore the environment
P7	Principle 7	Responsible Principle Advocacy	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Principle 8	Support Inclusive Growth	Businesses should support inclusive growth and equitable development
P9	Principle 9	Providing Customer Value	Business should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

Sr. No.	Principle	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
						Refer Note 1				
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
						Refer Note 2				
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
						Refer Note 3				
6.	Indicate the link for the policy to be viewed online?					Refer Note 4				

a) Details of compliance (Reply in Y/N) (Contd..)

Sr. No.	Principle	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y Refer Note 5	Y	NA	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y Refer Note 6	Y	NA	Y	Y

Note 1: The Company's Policies are in consonance with the Companies Act, 2013 (the 'Act'), Securities and Exchange Board of India ('SEBI') Regulations and other regulations/ guidelines issued by the Central Government, as applicable, from time to time including industry best practices. The policies reflect the purpose and intent of the International Standards such as OHSAS 18001, ISO 14001, ISO 50001 etc.

Note 2: Board of Directors approve various policies for the Company, as applicable, under the Act, SEBI and other regulations/ guidelines issued by the Central Government, from time to time. These Policies are signed by Executive Director/CEO. Other Policies which are related to business process & operations are signed by Profit Centre Head/ HR Head.

Note 3: CEO, Profit Centre Head, HR Head, Company Secretary and Compliance Officer are responsible for the respective BR Policy/ other Policies as specified therein.

Note 4: Policies of the Company other than pertaining to or applicable to internal employees are posted on and are available on the Company's website and the ones applicable to employees/ officers of the Company are posted on internal portal and are also informed to the stakeholders by way of training, distributions in the forms of leaflets and display at the plant locations. The policies which are uploaded on the Polyplex website i.e. https://www.polyplex.com/ are as below:

S. No.	Name of the Policies
1.	Whistle Blower policy
2.	Code of Conduct for Directors & Senior Management
3.	Code of Internal Procedures & Conduct for Regulating, Monitoring & Reporting of Trading by Insiders
4.	Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information
5.	Dividend Distribution Policy
6.	Policy of Related Party Transactions
7.	Policy for Determining Material Subsidiaries
8.	Policy for Determination of Materiality
9.	Corporate Social Responsibility Policy
10.	Environment, Health & Safety Policy

The Links to above policies are provided in the Corporate Governance Report forming part of the Annual Report.

Note 5: Yes, any grievance or feedback related to the policies can be sent to investorrelations@polyplex.com. The Company also has a Stakeholders' Relationship Committee to resolve any grievances of the security holders.

Note 6: Policies are evaluated periodically or whenever necessary, depending upon the nature of policies by the Board of Directors/ CEO/ Profit Centre Head/ HR Head, as the case may be.

2a. If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options) -

Sr. No.	Questions	Principle 7
1.	The Company has not understood the Principles	NA
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	In relation to P7, Polyplex represents itself at various national and international industry associations such as Delhi Chambers of Commerce, Federation of Indian Export Organizations, A Circular Economy for Flexible Packaging-Europe, etc. We prefer to be a part of the broader policy development process and give our suggestions in the responsible manner. However, the Company does not feel a need of a formal policy at this stage and may in future, look into adopting a policy for the same
3.	The Company does not have the financial or manpower resources available for the task	NA
4.	It is planned to be done within next 6 months	NA
5.	It is planned to be done within next 1 year	NA
6.	Any other reason (please specify)	NA

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

This is the first year of the applicability of BR reporting and it is proposed to assess the BR performance atleast once in a year by the Board of Directors.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Since this is the first year of the applicability of BR reporting, hence the Company has not yet published any Business Responsibility Report in the past. Business Responsibility Report for the Financial Year 2019-20 would be published along with the Annual Report (available on Company website in "Investors" section when uploaded) and the same would be published yearly thereafter.

However, the Company has on voluntary basis published its Sustainability Report for the Financial Year 2017-18 and the same is available at https://www.polyplex.com /images/pdf/Polyplex-Corporate-Sustainability-Report-FY_2017-18.pdf. The Company is also in the process of preparing the Sustainability Report for the Financial year 2019-20 and would publish the same during the Financial Year 2020-21. The Company plans to publish this report on biennial basis.

Section E: Principle-wise Performance

Principle 1- Ethics, Transparency and Accountability

The Company encourages culture of high ethical standards, transparency and accountability. As a responsible growing organization, the Company does its business with high level of integrity. The Company ensures that its business transactions are in compliance with all laws and regulations and has established internal control mechanism to ensure conformance to the norms of corporate governance. It follows a philosophy that shareholders value can be protected with increased transparency and strong governance policies.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has formulated, policies covering issues such as ethics, bribery and corruption including the policy for Prevention of Sexual Harassment, Whistle Blower policy, which extend to vendors, contractors, visitors including employees and Board Members of the Company. The Company has also formulated a Code of Conduct, as mandated by SEBI, which specifies the guidelines for behavior, duties and responsibilities for its Directors and Senior Management.

The Company conducts all its business activities in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption in all its business dealings and relationships.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.

During the year under review, there were no cases reported on the violation of the Company's Code of Conduct, Ethics, Transparency and Accountability, Prevention of Sexual Harassment and under the Whistle Blower Policy and no complaint were received from the stakeholders.

Principle 2- Sustainability of Products and Services across Life Cycle

The Company endeavors to maintain sustainability approach across the life cycle of its product i.e. usage of sustainable sources for procurement of raw material, manufacturing final products, waste management and recycle activities, transporting the products, etc.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

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

Bio-sourced films (Bio PET film), PET film based monomeric structures and PET Films with Post-consumer recyclate content are some of the key products which are designed by taking into consideration environmental concerns and also take into account the Company's goal to minimize its carbon footprint. The Company manufactures Bio PET Film through use of renewable resources and Eco Friendly PET Film without any Heavy metals to contribute to environmental sustainability.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing/ production/distribution achieved since the previous year throughout the value chain?

The Company's drive for continuous improvement and innovation has enabled the Company to reduce process waste and energy consumption, increase productivity and release new products, thereby achieving higher customer acceptance and satisfaction. Few of the measures taken by Polyplex to reduce the power consumption are usage of energy saving air compressors, optimization of cooling tower efficiency, optimal chiller operations, improvement in grid energy power factor, insulation on non-insulated main extruder barrel of BOPP plant, usage of non-conventional lighting fixtures, usage of low wattage LED fixtures and enhancement of the life of husk heater bag house bag filter, etc.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company works on a B2B model and hence, the usage of the products differs for each customer basis the final product getting manufactured. Despite being continuously focused on the sustainable products, the analysis to determine the reduction during usage by customer (energy, water) would be difficult for the Company to assess.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company encourages sustainable sourcing through localization of raw material procurement, reuse of pallets & packaging materials, focus on bio sourced raw materials and continuous evaluation of alternative transportation arrangements. The Company strives to work with the same raw material/service providers thereby setting an exemplary model, in terms of stakeholder engagement.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company generally prefers locally available goods and services, other factors being comparable and few examples are as under:

- Procurement of wooden pallets (used for packaging) from a local vendor who is directly supported by Company by resources, training, etc;
- Procurement of rice husk for oil heating system from the local vendors, which is used for manufacturing; and
- Procurement of PVC cups from the local vendors, which is used for packing of finished products

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

The Company reuses and recycles most of its in-process waste at all its plants and has continuously innovated to recycle more of the waste like lumps, trims, etc. Further, the Company has developed and optimized "chemical recycling" process for manufacturing Sarafil rPET Polyester film with Post consumer Recyclate content and is in the advanced stage of trials for Biodegradable sealant layer options. Further, the Company has separate recycling machines for BOPP and each line of BOPET. Continuous efforts are undertaken for reduction in hazardous waste, if any.

The Company's subsidiary - EcoBlue Limited, Thailand provides sustainable solutions for post-consumer and industrial plastic waste.

Principle 3- Businesses should promote the well-being of all employees

At Polyplex, we treat our people as one of the most valuable assets in our organization and always strive to maintain a healthy relationship with them. We believe that the success of an organization is linked to its people and it is reflected in our vision, mission and values. Care is one of the four core values of Polyplex's value system. Polyplex believes in holistic development of its employees. Many programs have been conducted across the Company for physical, emotional, intellectual and spiritual development of employees.

1. **Total number of employees:** There are approximately 913 employees in the Company based out of corporate office, manufacturing locations and other centres.

2. **Total number of employees hired on temporary/contractual/casual basis:** 491 employees were hired on temporary/ contractual/casual basis in the Company during the Financial Year 2019-20.

   Number of permanent women employees: There were 16 permanent women employees in the Company during the Financial Year 2019-20.

3. **Number of permanent employees with disabilities:** Nil

4. **Do you have an employee association that is recognized by management?**

   At Khatima, Uttarakhand, more than one third i.e. approximately 108 employees, are represented by a union. We have also formed "Joint Welfare Committees" at all locations so that the short term, medium term and long term needs of all workers are brought to the attention of the management and resolved satisfactorily in a timely manner.

5. **What percentage of your permanent employees is members of this recognized employee association?**

   12% (approx.)

6. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S No	Category	Skill Up-gradation and Safety Training	Skill Up-gradation and Safety Training
1.	Child labour/ forced labour/ involuntary labour	Nil	
2.	Sexual Harassment		
3.	Discriminatory employment		

7. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

S No	Category	Skill Up-gradation and Safety Training
1.	Permanent Employees	Most of the personnel at plant level are covered in Safety/ Technical & ISO related trainings
2.	Permanent Women Employees	Same as above
3.	Casual/ Temporary/ Contractual Employees	These employees are trained 100% at the time of joining and later are equipped with refresher training on Safety and operations
4.	Employees with Disabilities	Not applicable

Principle 4- Stakeholder's Interest

We have built a long-term relationship with all our major stakeholders and honor our commitments towards them. The result has been the ability to outperform the Industry and enhance value for stakeholders. For more than three decades, the Company has focused on the interplay of three drivers i.e. Passion, Discipline and Long-term.

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has identified its internal and external stakeholders. Our internal stakeholders are our executives and employees, and our external stakeholders comprises of customers, contractors, vendors, business partners, regulatory bodies, insurers, bankers, service providers, equipment providers and local communities.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Identification of the disadvantaged, vulnerable and marginalized stakeholders is an on-going process. However, the Company has identified the community located near to its plants at Khatima and Bazpur, Uttarakhand as relatively disadvantaged and marginalized.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.?

Under a P.P.P. (Public Private Partnership) model at Bazpur and Khatima, Polyplex has adopted two local schools, provided necessary infrastructures such as furniture and fittings. Polyplex has also undertaken a slew of sports and education sponsorships, besides full scholarships to school-going children of deceased employees.

Further, Polyplex had set up Saraf Public School (owned by Polyplex, however administered privately), adjoining the Khatima plant facility in 1992, providing quality education to children of employees as well as those from local communities.

Principle 5- Business should respect and promote human rights

Polyplex understands that to uphold human rights is a fundamental responsibility and the same need to be protected. Polyplex has put in place various policies such as equal employment policy, whistle blower policy in order to avoid and mitigate the infringement of human right at all levels of the organization. The Company also seeks periodic feedback from its employees in a confidential manner.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

The Company's policy on human rights do extend to all its subsidiaries, employees, consumers, vendors and all concerned stakeholders. It takes care that their transactions/ processes don't violate any human rights. The Company has formulated & circulated a policy on Prevention of Sexual Harassment at Workplace, Whistle-blower Policy, etc based on global standards and local applicable laws.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints of human rights violation for the year 2019-20 in any of the operations.

Principle 6- Environmental Impact

Since its commencement, Polyplex group has not faced any significant problems related to environment and inspection is carried out by various regulatory authorities in a timely manner. This has resulted in causing no negative environmental impact by Company's operations and gaining global and national recognition. We have also taken many initiatives for the community as a part of our CSR activity including plantation drives in and around our factories and housing colonies which has gained appreciation. Some of our awards include Ecovadis CSR ratings Silver awards to our Turkey management and Ecovadis CSR ratings Bronze awards to our Thailand management.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

We ensure that the Health and Safety standards at all our units are as per the legislations and also benchmarked with international standards. Our approach is reflected in our Environmental, Health and Safety (EHS) policy which emphasizes continuous improvement. All of our Indian facilities are certified with OHSAS 18001:2007 / ISO 45001:2018 certification on Occupational Health and Safety Management system. We have a separate EHS policy for all our operations. The policies are drafted such that they are aligned with the needs and regulations of each location.

This policy is communicated to all the employees and displayed at various locations all across the plant.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Being a global plastic film manufacturer, we have been conscious of the manner in which environmental and social parameters will shape our Company and industry. Wherever possible, Polyplex recycles and reuses the material in the production of new products. We try to minimize our environmental impact through use of more than 99% polyester waste generated during base film production system, recycled material grades, energy efficient machinery and efficient transportation strategy. This decreases our organizational carbon footprint. We also have a mechanism to receive complaints on environmental issues and take corrective actions accordingly.

Our five manufacturing plants across the globe have attained ISO 14001 environment management system certification. We believe that the environmental management system certification would help us to analyze and reduce environmental impact and standardize the process of being compliant to a range of legislative requirements. The certifications have provided us a framework which enables us to review our environmental performance and identify the sites outperforming the others so that we can implement similar initiatives across the group. Our aim is to minimize our carbon footprint by reducing the energy consumed per ton of production and reduce our consumption of virgin raw material per ton of production.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company identifies and assess potential environmental risks in pursuance of its EHS Policy.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?

The Company continues to work towards development and implementation of climate change mitigation projects mainly through energy saving projects across the Company such as replacing oil base heating system to rice husk heating system to reduce the greenhouse gas generation. Under the Environment Monitoring Report, various tests are being performed at plants by third party agencies and necessary reports are prepared for such quarterly/ half yearly testing.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

As a step towards sustainable global economy, we have undertaken following major environment related improvement initiatives:

i. Operationalized latest technologies to save power across plant locations which resulted in substantial improvements in terms of energy efficiency

ii. Switch over from Furnace Oil to Rice Husk for oil heating system in India which leads to reduction in greenhouse gases

iii. Switched to LED lighting across plants

iv. Decrease in energy consumption through lower machine idling and implementation of Heat Recovery projects

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Company strictly follows all the rules and regulations related to treatment of emission/ waste generated by the Company and undertakes tests on regular basis to ensure emissions are maintained within the permissible limits given by CPCB/ SPCB/ other regulatory authorities.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

There were 2 (two) show cause notices received during the year from Uttarakhand Environment Protection and Pollution Control Board on Khatima and Bazpur plant, respectively. These were later closed to the satisfaction of the Pollution Control Board.

Principle 7- Public Advocacy

At Polyplex, we believe to proactively promote the development of public policies and regulatory frameworks that support a fair and competitive environment. As a key contributor in the social and economic development of the communities in which we operate, we advocate policies that promote sustainability and value creation for all stakeholders. We believe that businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following associations:

a) Delhi Chamber of Commerce (India)
b) Federation of Indian Export Organization ('FIEO-India')
c) Plastics Export Promotion Council of India ('PLEXCONCIL-India')
d) Polyester Film Manufacturers Association (PFMA)
e) Indian Flexible Packaging and Folding Carton Association ('IFCA-India')
f) BOPET FILM Europe Association ('BOFE-Europe')
g) European Plastic Pact ("EUPP-Europe")
h) PETCORE Europe
i) A Circular Economy for Flexible Packaging ('CEFLEX-Europe')
j) *Sustainable Packaging Coalition ('SPC-USA')
k) *Association of International Metallizers, Coaters and Laminators ('AIMCAL-USA')

* Polyplex is a member of SPC-USA and AIMCAL-USA through its subsidiary i.e. Polyplex America Holdings Inc.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas.

As stated above, the Company is associated with various national and international industry associations and from time to time, have represented through them for the advancement/ betterment of trade environment, promoting sustainability, recyclability etc.

Principle 8- Inclusive growth and Equitable Development

The Company realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and society by complying with the applicable laws and regulations. Being a responsible corporate, we consider it our duty to foster inclusive growth and meet the sustainability needs of the nation through equitable development.

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. As per Corporate Social Responsibility policy of Polyplex and being conscious of its corporate responsibility towards habitat and communities, the Company is closely working with local communities through comprehensive and sustained social programmes. It undertakes various programs/ initiatives/ projects and some of them are listed as under:

- To provide equal educational opportunities to children from all sections of the society in the two local schools adopted by the Company at Bazpur and Khatima
- To provide infrastructure facilities to local hospitals at Bazpur and Khatima such as hospital beds, mattress, hospital screen, telescope rods, etc.
- To take initiatives such as distribution of essential items (grocery) to the lower income society members location at Bazpur and Khatima

Polyplex, being aware of the situation caused due to the pandemic Covid-19 realized its duty as a responsible corporate and with a vision to support the society has taken initiatives as below:

- Distribution of Sanitizer and face masks
- Donation of blankets
- Donation of face shields at Hospital and Police Stations

Further, the summary of the initiatives/projects undertaken for Financial Year 2019-20 is enclosed as Annexure C of the Directors' Report.

2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

The Company implements its programs through its Corporate Social Responsibility team and in partnership with government and civil society organizations. You may also refer our Annual Report on Corporate Social Responsibility for the Financial Year 2019-20 enclosed as Annexure C of the Directors' Report.

We also actively encourage our own employees to contribute towards these social initiatives.

3. Have you done any impact assessment of your initiative?

While finalizing any community development project, it is taken into consideration that the benefit is given to the ultimate beneficiaries of the society, and hence, the impact assessment is done in an informal manner.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Company's direct contribution to community development projects for the Financial Year 2019-20 is enclosed as an Annexure C of the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company participates in such community development initiatives only after a detailed need assessment and strives to work together with the community. As an example, at its plant location in Khatima, the Company has been running a school for the past almost three decades with over 1750 students which provide equal educational opportunities to children from all sections of the society and periodic analysis is done to monitor the quality of education, additional needs, etc.

Principle 9- Value to Customers and Consumers

The Company works with passion to find ways to continuously improve its customer service. The Company through enhanced solutions and by being focused on product innovation addresses the growing customer demands and need for cost-effectiveness from its customers. The Company works proactively and collaboratively with its customers which comprise of some of the world's largest and most respected packaging conglomerates and leaders in several industrial end-use markets.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

Polyplex has a robust system for customer complaint resolution and ensures continuous monitoring & closure of the same within the specified timelines. As at the year end, only about 4% of complaints received during the year were pending with most of these complaints received in March 2020.

Further, there were no consumer cases pending at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

The Company provides the following information on the product label:

- Production information – Brand Name & Type of Film
- Dimension details - Micron/Width/Length/Core Size/Thickness/Position
- Weight - Net Weight of Film
- Quality status - Grade/Treatment/Joint
- Unique identity - Batch No of roll (in the form of a bar code)
- Order No., Buyer Order No., Part No.
- Remarks (for any additional information)

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There were no complaints filed or pending against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior in the last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Polyplex periodically measures the satisfaction level among its customers and understand their expectations in order to gauge competitiveness in the industry. The Company also believes that feedback is a continuous process and to sustain in this evolving dynamic environment, continuous improvement is necessary. Accordingly, the Company, once a year via direct mail questionnaires request for the feedback of its consumers which is also part of ISO 9000 requirement ought to be undertaken by the Company. The Marketing division of the Company takes note of customers' requirements and provides the same to the production / technical team for ensuring improved customer satisfaction.

Standalone Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED

Report on the Audit of the Standalone Ind AS Financial Statement

Opinion

We have audited the Standalone Ind AS Financial Statements of **POLYPLEX CORPORATION LIMITED** ("the Company"), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of 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 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note no. 56 of the Standalone Financial Statements which states the management's evaluation of COVID-19 impact on the operations of the Company. Our opinion is not modified in respect of this matter.

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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition:** For the year ended March 31, 2020 the Company has recognized revenue from contracts with customers amounting to ₹ 1,25,418.30 Lacs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.	**Our audit procedures included the following:** • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • On sample basis, examining supporting documents for the sales transaction occurring during the year and near the end of the accounting period including the credit notes issued after period end to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with the conditions, and whether it was in compliance with the Company's Policy. • Performed analytical procedure to identify the unusual trends and also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • On sample basis, examining supporting documents/ approvals and calculation of discounts, claims, rebates etc.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (including Corporate Governance Report) but does not include the Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement 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. Those Board of Directors are also 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 Standards on Auditing (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 Standards on Auditing (SAs), we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, 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 Standalone 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

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

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

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income , Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 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 B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Financial Statements – Refer Note 45 to the Financial Statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including long term derivative contracts.

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

      iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

3. In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta
Partner
Membership No.:093214
UDIN: 20093214AAAAAM2280

Place: Faridabad
Date: May 25, 2020

"Annexure A"

to the Independent Auditors' Report

The Annexure **as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements'** of our Independent Auditors' Report to the members of **POLYPLEX CORPORATION LIMITED** on the Financial Statements for the year ended March 31, 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 regular programme of physical verification of its fixed assets according to which the fixed assets have been verified by the management periodically in a phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deed / transfer deed / conveyance deed / possession letter / allotment letter and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company except in two cases amounting to ₹ 8.79 Lacs where the title deed is not in the name of the Company. Refer Note 4 to the Standalone Ind AS Financial Statements.

ii. The inventories of the Company (except stock lying with the third parties and in transit) have been physically verified by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loans to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the Company are not prejudicial to interest of the Company.

(b) In respect of aforesaid loan, repayment of principal and payment of interest has been stipulated, principal is not due for repayment and repayment of interest are regular.

(c) There is no amount overdue for more than 90 days as on the date of Balance Sheet.

iv. According to the information, explanations and representations provided by the Management and based upon audit procedures performed, we are of the opinion that in respect of loans and investments, the Company has complied with the provisions of the Section 185 and 186 of the Companies Act, 2013. The Company has not provided any guarantees or security as specified under Section 185 and 186 of the Companies Act, 2013.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Sub-Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax with effect from July 1, 2017 and other material statutory dues with the appropriate authorities to the extent applicable.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, there are no undisputed statutory dues outstanding for a period of more than six months as at March 31, 2020, from the date they become payable.

(c) According to the records and information and explanations given to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Excise, Goods and Service Tax, Duty of Custom, or Value Added Tax which have not been deposited on account of any dispute except those mentioned below :-

(₹ in Lacs)

Name of Statue	Name of Dues	Period	Amount	Amount Deposited	Forum where pending
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	1996-97	28.08	9.69	High Court
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	1997-98	32.75	4.20	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	1998-99	29.05	-	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2009-10	1.34	-	Joint Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2009-10	0.98	-	Hearing Completed, Order awaited
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2015-16	7.82	-	High Court
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2017-18	1.16	1.16	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2016-17	5.59	0.59	N.A.
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2017-18	124.05	12.47	N.A.
The Central Sales Tax Act, 1944 and State Vat Act	Commercial Tax	2011-12	2.60	2.60	Sales Tax Inspector
The Central Sales Tax Act, 1944 and State Vat Act	Vat	2015-16	1.32	0.13	Joint Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2015-16	6.09	2.44	Joint Commissioner (Appeal)
The Central Sales Tax Act, 1944 and State Vat Act	Sales Tax	2015-16	87.26	34.91	Joint Commissioner (Appeal)
The Central Excise Act, 1944	Excise Duty	2003-04	9.27	-	Assistant Commissioner
The Central Excise Act, 1944	Excise Duty	2013-04	19.69	-	CGST Commissioner
Goods & Service Tax Act	Goods & Service Tax	2017-18	43.33	-	Assistant Commissioner
Goods & Service Tax Act	Goods & Service Tax	2017-18	85.12	-	Assistant Commissioner
Finance Act, 1994	Service Tax	2014-15 to 2017-18 (Upto June ,2017)	1.08	-	Assistant Commissioner
Finance Act, 1994	Service Tax	-	10.55	-	Assistant Commissioner
Income Tax Act, 1961	Income Tax	2009-10	159.13	-	High Court
Income Tax Act, 1961	Income Tax	2010-11	149.79	-	High Court
Income Tax Act, 1961	Income Tax	2011-12	344.85	-	High Court
Income Tax Act, 1961	Income Tax	2012-13	39.32	-	High Court
Income Tax Act, 1961	Income Tax	2013-14	35.62	-	High Court
Income Tax Act, 1961	Income Tax	2014-15	24.37	-	High Court

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or financial institutions during the year. The Company has not obtained any loans from debenture holders or government.

ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.

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, clause 3(xii) of the Order is not applicable.

xiii. Accordiing to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.

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. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

"Annexure B"

to the Independent Auditor's Report of even date on the Financial Statements of POLYPLEX CORPORATION LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

We have audited the internal financial controls over financial reporting of **POLYPLEX CORPORATION LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting(the "Guidance Note") 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 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.

For S.S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta
Partner
Membership No.:093214

Place: Faridabad
Date: May 25, 2020

Standalone Balance Sheet

as at March 31, 2020

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Non Current Assets			
a) Property, Plant and Equipment	4	35,747.03	32,700.54
b) Capital Work-in-Progress	4	539.81	367.00
c) Investment Properties	5	297.12	303.89
d) Intangible Assets	6	-	1.24
e) Financial Assets			
i) Investments	7	4,698.71	4,698.71
ii) Loans	8	923.10	923.05
f) Deferred Tax Assets (Net)	9	91.45	1,973.62
g) Other Non-Current Assets	10	378.12	1,539.17
Total Non Current Assets		**42,675.34**	**42,507.22**
2 Current Assets			
a) Inventories	11	14,326.90	16,434.20
b) Financial Assets			
i) Investments	12	7,217.92	800.83
ii) Trade Receivables	13	14,132.03	17,248.39
iii) Cash & Cash Equivalents	14	403.43	242.61
iv) Bank Balances Other than iii above	15	331.03	251.09
v) Loans	16	989.61	1,531.06
vi) Other Financial Assets	17	790.78	1,348.60
c) Current Tax Assets	18	69.22	600.47
d) Other Current Assets	19	4,931.24	3,338.70
Total Current Assets		**43,192.16**	**41,795.95**
TOTAL ASSETS		**85,867.50**	**84,303.17**
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share Capital	20	3,256.32	3,256.32
b) Other Equity	21	58,382.93	52,307.07
Total Equity		61,639.25	**55,563.39**
Liabilities			
2 Non Current Liabilities			
a) Financial Liabilities			
i) Borrowings	22	8,330.83	11,707.03
ii) Other Financial Liabilities	23	18.05	-
b) Provisions	24	340.73	293.36
c) Other Non Current Liabilities	25	490.77	82.99
Total Non Current Liabilities		**9,180.38**	**12,083.38**
3 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	26	4,725.44	7,079.24
ii) Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	27	-	-
Total Outstanding dues of Creditors other Than Micro Enterprises and Small Enterprises	27	1,566.02	2,098.16
iii) Other Financial Liabilities	28	7,697.09	6,398.74
b) Other Current Liabilities	29	592.49	865.43
c) Provisions	30	466.83	214.83
Total Current Liabilities		**15,047.87**	**16,656.40**
Total Liabilities		**24,228.25**	**28,739.78**
TOTAL EQUITY AND LIABILITIES		**85,867.50**	**84,303.17**
Accompanying Notes to Standalone Financial Statements	1-57		

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

Particulars		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	31	1,27,277.73	1,34,765.56
II	Other Income	32	22,008.95	19,190.57
III	**Total Income (I + II)**		**1,49,286.68**	**1,53,956.13**
IV	**Expenses**			
	Cost of Materials Consumed	33	82,556.15	95,163.44
	Purchases of Stock-in-trade		6.90	-
	Changes in Inventories of Finished Goods and Work-in-Progress	34	219.09	(2,096.93)
	Employee Benefits Expense	35	8,426.38	8,209.60
	Finance Costs	36	275.77	484.61
	Depreciation and Amortisation Expense	37	5,451.37	4,507.21
	Other Expenses	38	21,046.03	18,975.57
	Total Expenses (IV)		**1,17,981.69**	**1,25,243.50**
V	**Profit / (Loss) Before Exceptional Items and Tax (III - IV)**		**31,304.99**	**28,712.63**
VI	Exceptional Items (Gain) / Loss		-	-
VII	**Profit / (Loss) Before Tax (V - VI)**		**31,304.99**	**28,712.63**
VIII	**Tax Expense**	39		
	a) Current Tax		8,156.00	6,034.73
	b) Deferred Tax		197.44	(130.50)
	c) Earlier Year Tax		(30.10)	-
	Total		**8,323.34**	**5,904.23**
IX	**Profit / (Loss) for the Year (VII - VIII)**		**22,981.65**	**22,808.40**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement of defined benefit obligations		(365.89)	23.20
	"Income Tax expense on remeasurement of defined benefit obligations"		92.09	(8.11)
	Total Other Comprehensive Income		**(273.80)**	**15.09**
XI	**Total Comprehensive Income for the period (IX + X)**		**22,707.85**	**22,823.49**
XII	**Earning Per Equity Share**	52		
	a) Basic (in ₹)		71.85	71.31
	b) Diluted (in ₹)		71.85	71.31
	Accompanying Notes to Standalone Financial Statements	1-57		

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lacs)

Particulars	Year Ended March 31, 2020		Year ended March 31, 2019	
I A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit / (Loss) Before Tax		**31,304.99**		**28,712.63**
Adjustments For :				
Depreciation & Amortization	5,451.37		4,507.21	
Allowance for Doubtful Debts / Bad Debts Written Off	-		(2.24)	
Finance Cost	275.77		484.61	
Unrealised Exchange Difference (Gain) / Loss	(216.44)		(0.24)	
Net Gain on Sale of Property, Plant & Equipment	0.75		34.11	
Property Plant & Equipment Written off	0.01		0.01	
Amortisation of upfront payment for processing fees	1.00		1.00	
Amortisation of grant income	(133.20)		169.66	
Net Gain on Sale of Investments measured at FVTPL	(157.19)		(41.49)	
Unrealised Gain on Investments measured at FVTPL	(17.09)		(0.83)	
MTM (Gain) / Loss Derivative Financial Instruments measured at FVTPL	983.45		(677.45)	
Decrease of Inventory to Net Realisable Value (Reversal)	(4.55)		(5.63)	
Interest Income	(340.27)		(301.87)	
Dividend Income	(19,185.24)	**(13,341.63)**	(16,984.05)	**(12,817.20)**
Operating Profit Before Working Capital Changes		**17,963.36**		**15,895.43**
Working Capital Adjustments:				
Trade Receivables	3,454.93		(6,158.48)	
Other Financial Assets	158.75		(1,390.53)	
Other Non Financial Assets	(1,782.15)		2,758.01	
Inventories	2,111.85		(2,733.37)	
Trade Payables	(534.24)		504.17	
Other Financial Liabilities	85.45		1,364.94	
Other Non Financial Liabilities	(272.95)		(946.31)	
Provisions	110.21	3,331.85	137.61	(6,463.96)
Cash Generated From Operations		**21,295.21**		**9,431.47**
Taxes Paid		(5,817.83)		(6,180.86)
Cash Flow Before Exceptional Items		**15,477.38**		**3,250.61**
Exceptional Items		-		-
Net Cash From Operating Activities		**15,477.38**		**3,250.61**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(7,000.95)		(5,368.79)	
Sale of Property, Plant & Equipment	103.32		43.89	
Loans to Related Party	500.00		-	
Bank balances not considered as cash and cash equivalents	(79.94)		(97.19)	
Purchase of Short Term Investments	(3,15,100.00)		(1,29,410.00)	
Sale of Short Term Investments	3,08,857.19		1,28,651.49	
Dividend Received	19,185.24		16,984.05	
Interest Received	303.34		334.19	
Net Cash Used in Investing Activities		**6,768.20**		**11,137.64**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		10,000.00	
Repayment of Long Term Borrowings	(2,743.06)		(3,738.82)	
Net Proceeds From Short Term Borrowings	(2,473.83)		(5,913.09)	
Lease Liability Paid	(0.24)		-	
Interest Paid	(315.56)		(488.32)	
Dividends Paid	(16,552.07)		(14,295.88)	
Net Cash Used In Financing Activities		**(22,084.76)**		**(14,436.11)**
Net Increase in Cash And Cash Equivalents		160.82		(47.86)
Cash and Cash Equivalents at the beginning of the year		242.61		290.47
Cash and Cash Equivalents at the end of the year		**403.43**		**242.61**
II Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 14):				
Balance with banks				
Current Accounts		378.27		230.48
Cash on hand		25.16		12.13
Total		**403.43**		**242.61**

Standalone Cash Flow Statement

for the year ended March 31, 2020

III Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 2019	Cash Flows	Non Cash Change	As at March 31, 2020
Non Current Borowings	14,684.00	(2,743.06)	1.00	11,941.94
Current Borowings	7,079.24	(2,473.83)	120.03	4,725.44
Interest Accrued	10.27	(315.56)	305.77	0.48
Lease Liability	-	(0.24)	20.36	20.12
Dividend and Taxes Thereon	248.88	(16,552.07)	16,631.99	328.80

(₹ in Lacs)

Particulars	As at March 31, 2018	Cash Flows	Non Cash Change	As at March 31, 2019
Non Current Borowings	8,421.82	6,261.18	1.00	14,684.00
Current Borowings	13,391.43	(5,913.09)	(399.10)	7,079.24
Interest Accrued	13.98	(488.32)	484.61	10.27
Dividend and Taxes Thereon	151.69	(14,295.88)	14,393.07	248.88

Accompanying notes to the Standalone Financial Statements 1 - 57

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Statement of Changes in Equity

for the year ended March 31, 2020

A. Equity Share Capital

Particulars	No. of Shares	Amount
As at April 1, 2018	**3,19,84,600**	**3,256.32**
Changes in Equity Share Capital during 2018-19	-	-
As at March 31, 2019	**3,19,84,600**	**3,256.32**
Changes in Equity Share Capital during 2019-20	-	-
As at March 31, 2020	**3,19,84,600**	**3,256.32**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
As at April 1, 2018	**250.80**	**2,348.20**	**5,955.10**	**35,322.55**	**43,876.65**
Profit for the year	-	-	-	22,808.40	22,808.40
Other Comprehensive Income / (Loss) for the year	-	-	-	15.09	15.09
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**22,823.49**	**22,823.49**
Transcations with Owners, recorded directly in Equity	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	(14,393.07)	(14,393.07)
Transfer to General Reserve	-	-	250.00	(250.00)	-
As at March 31, 2019	**250.80**	**2,348.20**	**6,205.10**	**43,502.97**	**52,307.07**
As at April 1, 2019	**250.80**	**2,348.20**	**6,205.10**	**43,502.97**	**52,307.07**
Profit for the year	-	-	-	22,981.65	22,981.65
Other Comprehensive Income / (Loss) for the year	-	-	-	(273.80)	(273.80)
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**22,707.85**	**22,707.85**
Transcations with Owners, recorded directly in Equity	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	(16,631.99)	(16,631.99)
Transfer to General Reserve	-	-	250.00	(250.00)	-
As at March 31, 2020	**250.80**	**2,348.20**	**6,455.10**	**49,328.83**	**58,382.93**

Accompanying Notes to Standalone Financial Statements **1-57**

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 1. Corporate information:

Polyplex Corporation Limited ("PCL") is a public limited Company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange of India Limited ('NSE') and the BSE Limited (Formerly Bombay Stock Exchange) ('BSE'), in India. The Registered Office of the Company is situated at Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India.

The Company is principally engaged in the manufacturing of plastic films. The Company has two manufacturing plants located in India at Khatima and Bazpur, both in State of Uttarakhand.

These Standalone Financial Statements were approved and adopted by Board of Directors of the Company in their meeting held on May 25, 2020.

Note 2. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

The Standalone Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

(ii) Historical cost convention

The Standalone Financial Statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities (including derivative instruments and investment in mutual funds) that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

(iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Part II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(iv) Change in accounting policy

Effective April 1, 2019, the Company adopted Ind AS-116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective Method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as an amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to particular lease recognised in the Balance Sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 714.90 Lacs, and a lease liability of ₹ 20.36 Lacs. The effect of this adoption is disclosed in Note No. 53. Ind - AS 116 will result in an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS-116 is applied only to contracts that were previously identified as leases under Ind AS-17.
5. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined under Ind AS-108.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

(c) Revenue recognition

The Company derives revenue primarily from sale of plastic films, resins and other products.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated using most likely method based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract. Payments from customers for the goods rendered are normally received within 30 days to 120 days as per terms of the sales.

The Company adjusts the transaction price for sales returns, based on the historical results, measured on the basis of the margin of the sale and consequently, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

(i) Revenue from Sale of Products :

Revenue from sale of products is recognised at the point of time when the customer obtains controls of the asset usually on delivery of goods to the customers.

(ii) Contract balances:

Contract assets: A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section (r) Financial instruments – initial recognition and subsequent measurement

Contract liabilities: A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract, the Company pays sales commission to its selling agents for contract that they obtain for the Company. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Company otherwise would have used is one year or less.

(iii) Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2(e) below.

(iv) Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(v) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) Export Incentives

Incentives on exports are recognised in books after due consideration of certainty of utilization/ receipt of such incentives.

(d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is treated as deferred income and released to the Statement of Profit and Loss

Notes to Standalone Financial Statements

for the year ended March 31, 2020

over the expected useful lives of the assets concerned or other systematic basis representative of the pattern of fulfillment of obligations associated with grants received.

The Grants are presented under the head other income.

(e) Leasing

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

(i) As a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the Standalone Balance Sheet based on their nature.

(f) Foreign currency translation

(i) Functional and presentation currency

The Standalone Financial Statements are presented in Indian rupee, which is Company's functional and presentation currency unless stated otherwise.

All amounts have been rounded off to the nearest ₹ Lacs, unless otherwise indicated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

(iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Standalone Statement of Profit and Loss on a net basis.

(g) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalized during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(i) Income Tax

Income Tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Current Income Tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit Deferred tax assets/ liabilities are generally recognised for all taxable temporary differences, the carry forward balance of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward balance of unused tax credits and unused tax losses can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future Income Tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination

(j) Property, plant and equipment

The Company has applied Ind AS-16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., April 1, 2016.

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/ rebates, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/ removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their remaining useful life provided these are of significant amounts commensurate with the size of the Company and scale of its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized net with in other income/other expense in Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the methods specified below to allocate their cost, net of their residual values, over their estimated useful lives.

- Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, except for Plant and Machinery running on continuous process basis, where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represents the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.
- Depreciation on fixed assets at Head Office at NOIDA is provided on Straight Line Method (SLM) based on estimated useful life of an asset which coincides with Schedule II to the Companies Act, Freehold land is not depreciated.
- The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage

Notes to Standalone Financial Statements
for the year ended March 31, 2020

of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.. The estimated useful life of the assets is given below:

Asset Class	Useful life
Buildings	30-60 years
Plant and Machinery	5-30 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years

(k) Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Cost comprises purchase price after deducting trade discounts/rebates, including duties and taxes, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/ removing the item and restoring the site on which it was located under an obligation. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment property being building is depreciated using the straight-line method over their estimated useful life of 30 years.

The Company has elected to continue with the carrying value of Investment Property recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(l) Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Costs comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/ rebates, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Asset Class	Useful life
Computer software	2-3 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(m) Inventories

(i) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress is computed on weighted average basis and it includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write downs to inventories are recognised in profit or loss. When reasons for such write downs cease to exist, such write downs are reversed through profit or loss.

(ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realizable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs cease to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that

Notes to Standalone Financial Statements

for the year ended March 31, 2020

have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realizable value. Cost of raw materials & components, stores & spares and stock-in-trade are determined on weighted average cost method.

(n) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

(ii) A contingent liability is not recognised in the Standalone Financial Statements, however, is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the Standalone Financial Statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

(iii) A contingent asset is not recognised in the Standalone Financial Statements, however, is disclosed, where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

(iv) Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(o) Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such costs are capitalized if they can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the Standalone Balance Sheet.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans towards payment of gratuity; and
- defined contribution plans towards provident fund plan & employee pension scheme, employee state insurance, superannuation scheme, national pension scheme and provident fund.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which is recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan**

  The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund administered and managed by the Government of India.

- **Employee State Insurance**

  The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Superannuation Scheme**

  The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

(q) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed by the end of the reporting period.

(r) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

(ii) Measurement

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognised in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Standalone Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Trade Receivable

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiaries where the Company has the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiaries at cost hence investments in subsidiaries and associates are carried at cost less impairment, if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

In accordance with Ind AS-109 Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortized cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions Ind AS-115 Revenue, the Company applies simplified approach permitted by Ind AS-109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument

Notes to Standalone Financial Statements

for the year ended March 31, 2020

improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized (i.e. removed from the Balance Sheet) only when

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients; or
- the rights to receive cash flows from the asset have expired.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(s) Financial liabilities and equity instruments

(i) Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Financial liabilities

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortized cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortized cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Company are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Company's financial liabilities include borrowings, trade and other derivative financial instruments.

Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities:

- **Fair value through profit or loss (FVTPL):** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- **Amortized cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption/repayment amount is recognised in profit and loss over the period of the borrowings using the effective interest rate method.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

(iii) Derecognition

Equity instruments

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

(t) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(v) Fair value of financial instruments

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(w) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS 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.

(x) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

(y) Cash Flow Statement

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

Note 3. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of Standalone Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ii) Employee benefit plans

The cost of the defined benefit plans and other long term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

(iii) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(iv) Useful life and residual value of plant, property equipment, intangible assets & Investment Property

The useful life and residual value of plant, property equipment Investment Property and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset.

(v) Income Taxes

Management judgment is required for the calculation of provision for Income Taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements

(vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward estimate at the end of each reporting period.

(vii) Impairment of non-financial assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 4. Property, Plant and Equipment:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2019	Additions during the year	Sale / adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Sale / Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Freehold Land	1,693.09	-	-	1,693.09	-	-	-	-	1,693.09	1,693.09
Buildings	13,978.96	275.40	-	14,254.36	6,686.23	556.87	-	7,243.10	7,011.26	7,292.73
Plant & Machinery	80,960.56	7,341.61	160.02	88,142.15	57,927.70	4,642.69	55.95	62,514.44	25,627.71	23,032.86
Electrical Installations	2,165.85	64.04	-	2,229.89	1,937.29	68.60	-	2,005.89	224.00	228.56
Furniture & Fixtures	526.08	4.25	-	530.33	433.06	19.13	-	452.19	78.14	93.02
Office Equipments	1,388.55	160.12	0.16	1,548.51	1,131.28	119.61	0.15	1,250.74	297.77	257.27
Vehicles	351.85	33.61	-	385.46	248.84	24.78	-	273.62	111.84	103.01
Right to Use Assets	-	714.90	-	714.90	-	11.68	-	11.68	703.22	-
Total	**1,01,064.94**	**8,593.93**	**160.18**	**1,09,498.69**	**68,364.40**	**5,443.36**	**56.10**	**73,751.66**	**35,747.03**	**32,700.54**
Capital Work-in-Progress	367.00	7,327.40	7,154.59	539.81	-	-	-	-	539.81	367.00
Total	**1,01,431.94**	**15,921.33**	**7,314.77**	**1,10,038.50**	**68,364.40**	**5,443.36**	**56.10**	**73,751.66**	**36,286.84**	**33,067.54**

Note:

1. Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney.
2. Addition to Plant & Machinery and Building includes ₹ Nil (FY - 2018-19: ₹ 10.18 Lacs) on account of Interest on Loans.
3. For Security Clause, refer Note No. 22 and 25.

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2018	Additions during the year	Sale / adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Sale / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Freehold Land	1,693.09	-	-	1,693.09	-	-	-	-	1,693.09	1,693.09
Buildings	13,192.70	786.26	-	13,978.96	6,200.77	485.46	-	6,686.23	7,292.73	6,991.93
Plant & Machinery	76,482.04	4,633.85	155.33	80,960.56	54,203.96	3,801.33	77.59	57,927.70	23,032.86	22,278.08
Electrical Installations	2,108.87	56.98	-	2,165.85	1,867.21	70.08	-	1,937.29	228.56	241.66
Furniture & Fixtures	489.11	36.97	-	526.08	415.57	17.49	-	433.06	93.02	73.54
Office Equipments	1,246.03	142.75	0.23	1,388.55	1,039.56	91.93	0.21	1,131.28	257.27	206.47
Vehicles	356.75	-	4.90	351.85	221.12	32.37	4.65	248.84	103.01	135.63
Total	**95,568.59**	**5,656.81**	**160.46**	**1,01,064.94**	**63,948.19**	**4,498.66**	**82.45**	**68,364.40**	**32,700.54**	**31,620.40**
Capital Work-in-Progress	220.43	5,155.29	5,008.72	367.00	-	-	-	-	367.00	220.43
Total	**95,789.02**	**10,812.10**	**5,169.18**	**1,01,431.94**	**63,948.19**	**4,498.66**	**82.45**	**68,364.40**	**33,067.54**	**31,840.83**

Note:

1. Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney.
2. Addition to Plant & Machinery and Building includes ₹ Nil (FY - 2016-17: ₹ 1.31 Lacs, FY - 2017-18: ₹ Nil) on account of Interest on Loans.
3. For Security Clause, refer Note No. 22 and 25.

Notes to Standalone Financial Statements
for the year ended March 31, 2020

Note 5. Investment Property:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2019	Additions during the year	Sale / adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Sale / Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	434.41	-	-	434.41	130.52	6.77	-	137.29	297.12	303.89
Total	**434.41**	**-**	**-**	**434.41**	**130.52**	**6.77**	**-**	**137.29**	**297.12**	**303.89**

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2018	Additions during the year	Sale / adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Sale / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Building	434.41	-	-	434.41	123.74	6.78	-	130.52	303.89	310.67
Total	**434.41**	**-**	**-**	**434.41**	**123.74**	**6.78**	**-**	**130.52**	**303.89**	**310.67**

Note:

1. Investment Property consist of building located in State of Uttar Pradesh.

2. Amount recognised in Standalone Statement of Profit & Loss:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental Income	227.05	275.14
Direct operating expenses from property that generated rental income	157.55	163.11
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**69.50**	**112.03**
Depreciation	6.77	6.78
Profit from investment properties	**62.73**	**105.25**

Notes to Standalone Financial Statements

for the year ended March 31, 2019

3. Restrictions on realisability and contractual obligations

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

4. Fair Value

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Property	933.80	933.80

5. Estimation of fair value

The valuation of the building situated at Noida has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

6. For Security Clause, refer Note No. 22 and 25

Note 6. Intangible Assets:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2019	Additions during the year	Sale / adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Sale / Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	140.50	-	-	140.50	139.26	1.24	-	140.50	-	1.24
Total	**140.50**	**-**	**-**	**140.50**	**139.26**	**1.24**	**-**	**140.50**	**-**	**1.24**

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2018	Additions during the year	Sale / adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Sale / Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	140.50	-	-	140.50	137.49	1.77	-	139.26	1.24	3.01
Total	**140.50**	**-**	**-**	**140.50**	**137.49**	**1.77**	**-**	**139.26**	**1.24**	**3.01**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 7. Non-Current Investments:

(₹ in Lacs)

Particulars	No. of Shares As at March 31, 2020	As at March 31, 2020	No. of Shares As at March 31, 2019	As at March 31, 2019
Investment in Subsidiary Companies				
(Equity Instruments - Quoted (At cost less impairment))				
Polyplex (Thailand) Public Company Limited (Face Value: Baht 1)	15,47,09,118	4,234.88	15,47,09,118	4,234.88
(Equity Instruments - Unquoted (At cost less impairment))				
Polyplex (Asia) Pte Ltd (common stock, no par value)	1,00,000	463.83	1,00,000	463.83
Total		**4,698.71**		**4,698.71**
Aggregate of Quoted Investments and market value thereof		33,234.72		52,632.78
Aggregate of Unquoted Investments (At Cost less Impairment)		463.83		463.83

Note 8. Non-Current Loans:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Security Deposits	923.10	923.05
Total	**923.10**	**923.05**
Break up Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	923.10	923.05
Loans Which Have Significant Increase in Credit Risk	-	-
Loans Credit Impaired	-	-
Total	**923.10**	**923.05**

Refer Note No. 41.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 9. Deferred Tax Assets (Net):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Capital Loss	182.40	314.45
Provision for Employee Benefits	111.16	177.58
Allowance for Doubtful Debts	1.38	11.16
Remeasurement of defined benefit obligations	92.09	-
Others	161.11	18.58
MAT Credit Entitlement	-	1,776.82
Sub Total (a)	**548.14**	**2,298.59**
Deferred Tax Liabilities		
Property Plant & Equipment	(456.69)	(214.13)
Others	-	(102.73)
Remeasurement of defined benefit obligations	-	(8.11)
Sub Total (b)	**(456.69)**	**(324.97)**
Total (a) + (b)	**91.45**	**1,973.62**

Movement in Deferred Tax

(₹ in Lacs)

Particulars	As at March 31, 2019	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As at March 31, 2020
Deferred Tax Assets					
Capital Loss	314.45	(132.05)	-	-	182.40
Provision for Employee Benefits	177.58	(66.42)	-	-	111.16
Allowance for Doubtful Debts	11.16	(9.78)	-	-	1.38
Remeasurement of defined benefit obligations	-	-	92.09	-	92.09
Others	18.58	142.53	-	-	161.11
MAT Credit Entitlement	1,776.82	-	-	(1,776.82)	-
Sub Total (a)	**2,298.59**	**(65.72)**	**92.09**	**(1,776.82)**	548.14
Deferred Tax Liabilities					
Property Plant & Equipment	(214.13)	(242.56)	-	-	(456.69)
Others	(102.73)	102.73	-	-	-
Remeasurement of defined benefit obligations	(8.11)	8.11	-	-	-
Sub Total (b)	**(324.97)**	**(131.72)**	**-**	**-**	**(456.69)**
Total (a) + (b)	**1,973.62**	**(197.44)**	**92.09**	**(1,776.82)**	**91.45**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Movement in Deferred Tax (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2018	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As at March 31, 2019
Deferred Tax Assets					
Capital Loss	328.65	(14.20)	-	-	314.45
Provision for Employee Benefits	129.49	48.09	-	-	177.58
Allowance for Doubtful Debts	14.16	(3.00)	-	-	11.16
Others	167.75	(149.17)	-	-	18.58
MAT Credit Entitlement	1,481.25	295.57	-	-	1,776.82
Sub Total (a)	**2,121.30**	**177.29**	**-**	**-**	**2,298.59**
Deferred Tax Liabilities					
Property Plant & Equipment	(256.96)	42.83	-	-	(214.13)
Others	-	(102.73)	-	-	(102.73)
Remeasurement of defined benefit obligations	(13.11)	13.11	(8.11)	-	(8.11)
Sub Total (b)	**(270.07)**	**(46.79)**	**(8.11)**	**-**	**(324.97)**
Total (a) + (b)	**1,851.23**	**130.50**	**(8.11)**	**-**	**1,973.62**

Note 10. Other Non-Current Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Capital Advances	378.12	1,183.47
Prepaid Expenses	-	355.70
Total	**378.12**	**1,539.17**

Note 11. Inventories:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	5,489.45	7,221.52
(incl stock in transit of ₹ 22.41 Lacs, FY - 2018-19: ₹ 1,266.79 Lacs)		
Work-in-Progress	2,035.37	1,880.81
Finished Goods	4,778.06	5,151.71
(incl stock in transit of ₹ 564.04 Lacs, FY - 2018-19: ₹ 1,329.32 Lacs)		
Stores & Spares	2,024.02	2,180.16
Total	**14,326.90**	**16,434.20**

Notes

(i) The cost of inventories recognised as an expense during the year amounts to ₹ 102,359.61 Lacs (FY - 2018-19: ₹ 111,756.86 Lacs).

(ii) The cost of inventories recognised as an expense includes ₹ 4.55 Lacs (Increase in write down), FY - 2018-19: ₹ 5.63 Lacs (reversal of write down) in respect of written downs of inventory to net realizable value.

(iii) The method of valuation of inventories has been stated in Note 2 (m).

(iv) For Security Clause, refer Note No. 26.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 12. Current Investments:

(₹ in Lacs)

Particulars	No. of units As at March 31, 2020	Figures As at March 31, 2020	No of units As at March 31, 2019	As at March 31, 2019
Investments in Mutual Funds				
Quoted				
At Fair Value Through Profit and Loss Account				
Nippon India Liquid Fund - Direct Plan - Growth Option (LFAGG)	76,333.523	3,702.70	-	-
Nippon India Low Duration Fund - Direct Plan - Growth Option (LPAGG)	35,605.756	1,005.10	-	-
HDFC Liquid Fund - Direct Plan - Growth Option (LFAGG)	38,559.693	1,506.38	-	-
HDFC Low Duration Fund - Direct Plan - Growth Option (LPAGG)	11,36,482.450	502.42	-	-
DSP Ultra Short Fund - Institutional Plan - Growth	33,63,499.424	501.32	-	-
Reliance - Direct Plan Growth Plan - Growth Option (LFAGG)	-	-	17,554.885	800.83
Total		**7,217.92**		**800.83**
Aggregate of Quoted Investments and market value thereof		7,217.92		800.83

Refer Note No. 41.

Note 13. Trade Receivables:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables, Unsecured	14,137.53	17,285.84
Significat increase in credit risk	-	-
Credit impaired	-	-
Less: Allowance for Doubtful Debts	(5.50)	(37.45)
Total	**14,132.03**	**17,248.39**
Breakup of Debtors		
Trade Receivables Considered Good	14,132.03	17,248.39
Trade Receivables Considered Doubtful	5.50	37.45
Less: Allowance for Doubtful Debts	(5.50)	(37.45)
Total	**14,132.03**	**17,248.39**

Note:

(i) The above receivables include, receivables from Related Parties: ₹ 2,785.99 Lacs, FY - 2018-19: ₹ 3,360.96 Lacs.
(ii) For Security Clause, refer Note No. 26.
(iii) Refer Note No. 41.

Note 14. Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks		
Current Accounts	378.27	230.48
Cash on hand	25.16	12.13
Total	**403.43**	**242.61**

Refer Note No. 41.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 15. Other Bank Balances:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked Balances with Banks		
Unclaimed Dividend Accounts	328.82	248.88
Fixed Deposits (Lien with Banks)	2.21	2.21
Total	**331.03**	**251.09**

Refer Note No. 41.

Note 16. Current Loans:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Security Deposits *	39.61	81.06
Loans to Related Party		
Considered Good	950.00	1,450.00
Considered Doubtful	-	-
Less: Allowance for doubtful loans	-	-
Total	**989.61**	**1,531.06**
Breakup of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	989.61	1,531.06
Loans Which Have Significant Increase in Credit Risk	-	-
Loans Credit Impaired	-	-
Total	**989.61**	**1,531.06**

Refer Note No. 41.

* Includes amount paid to Related Party Refer Note No: 44.

Note 17. Other Financial Assets (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Derivative Financial Instruments	-	477.40
Interest Accrued on Loan and Deposits	57.54	20.61
Export Benefit Receivables	631.99	815.88
Rent Receivable		
From Related Party	90.35	13.15
From Others	10.90	21.56
Total	**790.78**	**1,348.60**

Refer Note No. 41.

Note 18. Current Tax Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of Provisions of ₹ 15,151.03 Lacs, FY - 2018-19: ₹ 8,791.96 Lacs)	69.22	600.47
Total	**69.22**	**600.47**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 19. Other Current Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	375.17	314.93
Balance with Government Authotities	2,317.42	1,894.04
Advances to Suppliers and Others	2,077.06	999.77
Employee Advance	161.59	129.96
Total	**4,931.24**	**3,338.70**

Note 20. Share Capital:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹10 each	3,400.00	3,400.00
Issued, Subscribed and Fully Paid-up		
3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹10 each	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86
Total	**3,256.32**	**3,256.32**

Reconciliation of Number of Shares

Particulars	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	3,19,84,600	3,19,84,600.00
Additions during the year	-	-
Shares outstanding as at the end of the year	3,19,84,600	3,19,84,600.00

Shareholders Holding More Than 5% Shares

No of Shares

Particulars	No. of shares As at March 31, 2020	No. of shares As at March 31, 2019
Mahalaxmi Trading & Investment Co Ltd	76,22,390	76,22,390
Secure Investments Ltd	55,35,744	55,35,744
K2 Family Trust through its Trustee Vistra ITCL (India) Ltd (Old Name is IL & FS Trust Company Ltd)	-	20,81,781
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	17,88,694	-

RIGHTS ATTACHED TO THE SHARES

The Company has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

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

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 21. Other Equity:

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Share Warrants Forfeited			
Balance at Begning of the Year		250.80	250.80
Addition during the Year		-	-
Balance at End of the Year	**(a)**	**250.80**	**250.80**

Share Warrants Forefeited account shall be utilized as per provisions of Companies Act, 2013

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Securities Premium			
Balance at Begning of the Year		2,348.20	2,348.20
Addition during the Year		-	-
Balance at End of the Year	**(b)**	**2,348.20**	**2,348.20**

Securities Premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
General Reserve			
Balance at Begning of the Year		6,205.10	5,955.10
Transferred from Profit and Loss		250.00	250.00
Transferred from Profit and Loss	**(c)**	**6,455.10**	**6,205.10**

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Retained Earnings			
Balance at Begning of the Year		43,502.97	35,322.55
Profit for the Year		22,981.65	22,808.40
Other Comprehensive Income		(273.80)	15.09
Dividend Paid		(16,631.99)	(14,393.07)
Transferred to General Reserve		(250.00)	(250.00)
Balance at End of the Year	**(d)**	**49,328.83**	**43,502.97**

Retained Earnings represents undistributed profit of the Company which can be distributed to its Equity Share holders in accordance with requirements of Companies Act, 2013

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total (a + b + c + d)	**58,382.93**	**52,307.07**

Note:

The amount that can be distributed as dividend by the Company to its equity shareholders is determined based on Financial Statement of the Company and also considering requirements of the Companies Act, 2013.

Note 22. Borrowings (Non-Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Term Loans From Banks		
Rupee Term Loan	11,941.94	14,684.00
Foreign Currency Term Loan	-	-
Sub Total (a)	**11,941.94**	**14,684.00**
Less: Current Portion (Refer Note No. 27)		
Rupee Term Loan	3,611.11	2,976.97
Foreign Currency Term Loan	-	-
Sub Total (b)	**3,611.11**	**2,976.97**
Total (a - b)	**8,330.83**	**11,707.03**

Notes to Standalone Financial Statements
for the year ended March 31, 2020

Note 22. Borrowings (Non-Current): (Contd..)

Loans are secured as under:

Term Loans of ₹ 11,944.44 Lacs (FY 2018-19: ₹ 14,687.50 Lacs) are secured on a *pari passu* basis by hypothecation / equitable mortgage in respect of Company's movable / immovable Fixed Assets at Khatima and Bazpur, both present and future.

Includes Prepaid Processig Fees of ₹ 2.50 Lacs, (FY 2018-19: ₹ 3.50 Lacs).

Refer Note No. 41.

Loans are repayable as under:

(₹ in Lacs)

Period From - To	No of Equal Instalments	Frequency	Gross Amount
2020-21 - 2023-24	18.00	Quarterly	4,444.45
2020-21 - 2023-24	16.00	Quarterly	3,437.50
2020-21 - 2022-23	16.00	Quarterly	4,062.50

Long term borrowings in foreign currency, interest rates range from Euribor / Libor + spread of 100 - 300 bps. For rupee denominated long term loans taken during the year interest rate is at 7.50% to 8.50%.

Default in repayment of Principal and Interest: ₹ Nil.

Note 23. Other Financial Liabilities:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability	18.05	-
Total	**18.05**	**-**

Refer Note No. 41.

Note 24. Provisions (Non-Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated Absences	340.73	293.36
Provision for Gratuity	-	-
Total	**340.73**	**293.36**

Refer Note No. 41.

Note 25. Other Liabilities (Non-Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Government Grants	490.77	82.99
Total	**490.77**	**82.99**

Note:

The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Company expects to meet its export obligations in future years. During the year, an amount of ₹ 126.53 Lacs (FY 2018-19: ₹ 233.21 Lacs) was released from deferred income to the Statement of Profit and Loss on fulfillment of export obligations.

Capital and State Investment Subsidy Grants relating to property, plant and equipment relates to cash incentive received from Government for setting up industies in specified area. During the year, an amount of ₹ 6.67 Lacs (FY 2018-19: ₹ 6.67 Lacs) was released from deferred income to the Statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 26. Borrowings (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans *		
Working Capital Demand Loans from Banks	3,169.11	5,202.74
Bank Cash Credit Account	48.41	1,099.38
	3,217.52	**6,302.12**
Unsecured Loans		
Working Capital Demand Loans from Banks	1,507.92	777.12
	1,507.92	**777.12**
Total	**4,725.44**	**7,079.24**

* Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to ₹ 3,217.52 Lacs (FY 2018-19: ₹ 6,302.12 Lacs) are secured / to be secured by way of hypothecation of inventories, book debts and other current assets both present and future, and second charge on Company's movable & immovable Fixed Assets both present and future at Khatima and Bazpur.

Short term borrowings in foreign currency, interest rates range from Euribor / Libor + spread of 40 - 300 bps. For rupee denominated short term loans taken during the year interest rate is at 8.00% to 11.00%.

Refer Note No. 41.

Note 27. Trade Payables:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Outstanding dues of		
Micro Enterprises and Small Enterprises (Refer Note No: 49)	-	-
Creditors other Than Micro Enterprises and Small Enterprises *	1,566.02	2,098.16
Total	**1,566.02**	**2,098.16**

* Amount payable to Related Party Refer Note No: 44.

Refer Note No. 41 .

Note 28. Other Financial Liabilities:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturity of Non-Current Borrowings *	3,611.11	2,976.97
Interest accrued but not due	0.48	10.27
Security Deposits **	92.85	94.74
Unclaimed Dividend ***	328.80	248.88
Capital Creditors	153.14	152.64
Derivative Financial Instruments	599.65	93.60
Lease Liability	2.07	-
Other liabilities ****	2,908.99	2,821.64
Total	**7,697.09**	**6,398.74**

* Refer Note No: 22.

** Including related party (Refer Note No: 44).

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

**** Includes expenses payable.

Refer Note No. 41 for Financial Instrument by Category.

Notes to Standalone Financial Statements
for the year ended March 31, 2020

Note 29. Other Liabilities (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability * #	317.73	592.76
Statutory Liabilities	188.09	186.00
Deferred Government Grants	86.67	86.67
Total	**592.49**	**865.43**

* Includes amount received from Related Party Refer Note No: 44.
# An amount of ₹ 592.76 Lacs had been recognised as income during the year that was included in the contract liability balance at begning of the period.

Note 30. Provisions (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated Absences	277.67	214.83
Provision for Gratuity	189.16	-
Total	**466.83**	**214.83**

Refer Note No. 43.

Note 31. Revenue From Operations:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Detail of Disaggregation of Revenue from Contract with Customers based on nature of products		
Sale of Products		
Plastic Film	1,15,391.13	1,21,584.94
Resins	9,029.26	9,229.60
Others	997.91	1,900.03
Sub-Total (a)	**1,25,418.30**	**1,32,714.57**
Other Operating Revenues		
Export Incentive	1,859.43	2,050.99
Sub-Total (b)	**1,859.43**	**2,050.99**
Total (a + b)	**1,27,277.73**	**1,34,765.56**
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	1,27,633.62	1,35,063.41
Adjustments made to contract price on account of:		
a) Discounts and Rebates	(2,215.32)	(2,348.84)
b) Other Operating Revenue	-	-
c) Excise Duty on Sale of Goods	-	-
Revenue from contracts with customer as per the Standalone Statement of Profit and Loss	**1,25,418.30**	**1,32,714.57**

Notes to Standalone Financial Statements
for the year ended March 31, 2020

Note 32. Other Income:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Financial Assets measured at amortized cost		
From Customers	69.36	103.79
From Loans and Deposits	270.91	198.08
Dividend Income from Subsidiaries	19,185.24	16,984.05
Rental Income from Investment Property	227.05	275.14
Net Gain on Sale of Investments measured at FVTPL	174.28	41.49
Allowance for Expected Credit Loss	31.95	3.08
Net Gain on Foreign Currency Transcations	1,315.73	414.73
Net Gain on Sale of Property, Plant & Equipment	-	-
Income from Government Grants	133.20	249.88
MTM Gain on Derivative Financial Instruments measured at FVTPL	-	677.45
Other Non Operating Income	601.23	242.88
Total	**22,008.95**	**19,190.57**

Note 33. Cost Of Materials Consumed:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw Material	79,464.47	91,861.61
Packing Material	3,091.68	3,301.83
Total	**82,556.15**	**95,163.44**

Note 34. Changes in Inventories:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
Finished Goods	5,151.71	3,642.90
Work-in-Progress	1,880.81	1,292.69
	7,032.52	**4,935.59**
Closing Stocks		
Finished Goods	4,778.06	5,151.71
Work-in-Progress	2,035.37	1,880.81
	6,813.43	**7,032.52**
Net Changes in Inventories	**219.09**	**(2,096.93)**

Note 35. Employee Benefits Expense:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Bonus *	7,245.49	6,927.67
Contribution to Provident and other Funds	591.20	664.39
Staff Welfare Expenses	589.69	617.54
Total	**8,426.38**	**8,209.60**

* Includes amount paid to Related Party Refer Note No: 44.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 36. Finance Costs:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense on Financial Liabilities measured at Amortized Cost	272.56	382.90
Exchange Differences regarded as an adjustment to Interest Cost	-	-
Other Borrowing Cost	3.21	101.71
Total	**275.77**	**484.61**

Note 37. Depreciation and Amortisation Expense:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant & Equipment (Refer Note: 4)	5,443.36	4,498.66
Depreciation on Investment Property (Refer Note: 5)	6.77	6.78
Amortization of Intangible Assets (Refer Note: 6)	1.24	1.77
Total	**5,451.37**	**4,507.21**

Note 38. Other Expenses:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stores and Spares Consumed	2,824.41	2,357.79
Power and Fuel	7,591.53	8,165.49
Repairs and Maintenance		
Building	117.94	44.79
Property, Plant & Equipment	312.25	245.09
Others	13.95	18.52
Rent	148.97	147.31
Insurance	410.97	368.25
Rates & Taxes	88.66	35.61
Freight	5,144.71	4,531.33
Other Selling Expenses	231.40	244.32
Legal & Professional Expenses	543.79	425.43
Auditor's Remuneration	72.05	58.62
Travelling & Conveyance	994.09	905.27
Directors' Commission	310.00	275.00
Directors' Sitting Fee	32.00	32.50
Allowance for Expected Credit Loss	-	-
Bad Debts	31.95	0.84
Donation	22.10	3.38
Corporate Social Responsibility Expenditure	121.56	88.42
Property Plant & Equipment Written off	0.01	0.01
MTM Loss on Derivative Financial Instruments measured at FVTPL	983.45	-
Loss on on Sale of Property, Plant & Equipment	0.75	34.11
Miscellaneous Expenses	1,049.49	993.49
Total	**21,046.03**	**18,975.57**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 39. Tax Expense:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax expense		
Current Year	8,156.00	6,034.73
Tax of earlier years provided / written back	(30.10)	-
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	197.44	(130.50)
Total	**8,323.34**	**5,904.23**

Reconciliation of effective tax rate

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit before Taxes	31,304.99	28,712.63
Tax using the Company's domestic tax rate (34.608%)	10,939.22	10,033.34
Changes in taxes on account of:		
Weighted deduction on Research and Development Expenditure	(282.03)	(207.07)
Effect of accounting of tax holiday period	-	(1,279.58)
Tax of income that is taxable at special rates	(2,919.22)	(2,568.89)
Effect of expenses that are non-deductible and others	615.47	(204.07)
Tax of earlier years provided / written back	(30.10)	-
Total	**8,323.34**	**5,773.73**
Effective Tax Rate as reported in Profit & Loss Account	**26.59%**	**20.11%**

Note 40. Financial Risk Management, Objectives and Policies:

A. Financial Risk Framework:

The Company is exposed to credit risk, liquidity risk and market risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliances with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

a. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Commodity Risk. The Company enters into the derivative contracts to manage its exposure to interest rate risk and foreign currency risk.

i. Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The foreign currency risk exposure of the Company is mainly in U.S. Dollars (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 40. Financial Risk Management, Objectives and Policies: (Contd..)

The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Risk Exposure is presented as under:

Currency	Financial Assets			
	As at March 31, 2020		As at March 31, 2019	
	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	41,31,628	3,114.25	61,24,828	4,236.01
EURO	22,33,610	1,854.78	43,33,756	3,367.00

Currency	Financial Assets			
	As at March 31, 2020		As at March 31, 2019	
	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	42,58,827	3,210.98	38,38,692	2,655.66
EURO	21,07,013	1,750.07	46,86,216	3,641.76
GBP	-	-	1,560	1.41
JPY	-	-	55,700	0.35

The following Sensitivity Analysis demonstrates the sensitivity in the USD and EURO to the Indian Rupee with all other variables held constant

(₹ in Lacs)

Particulars	Change in currency exchange rate	Effect on Profit Before Tax	
		FY 2019-20	FY 2018-19
USD	5%	(4.84)	79.02
	-5%	4.84	(79.02)
Euro	5%	5.24	(13.74)
	-5%	(5.24)	13.74

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables by the Company at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Derivative financial instruments

The Company uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure.

Forward Contracts

The Company has foreign currency sale and purchase forward contracts to offset the risk of currency fluctuations. These contracts are for settlement of operational receivable and payable. The Details of outstanding contracts as follow:

Particulars	Contract Sell/Buy	Currency	As at March 31, 2020	As at March 31, 2019
			Amount (Fx)	
Forward Contracts	USD / INR	USD	38,77,173	37,50,000
Forward Contracts	EURO / INR	EUR	5,81,000	17,50,000
Currency Cum Interest Rate Swap	INR / EURO	EURO	1,50,79,263	1,85,74,260

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 40. Financial Risk Management, Objectives and Policies: (Contd..)

ii. Interest Rate Risk:

Interest Rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from working capital and long term borrowings. Company's investments are primarily in mutual funds which are short term in nature and do not expose to interest rate risk. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate risk and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Exposure to Interest rate risk

The Interest rate profile of the Company's interest bearing financial instruments is as follows:

(₹ in Lacs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
As at March 31, 2020			
INR	11,992.85	3,437.50	8,555.35
USD	3,015.84	-	3,015.84
Euro	1,661.19	-	1,661.19
Total	**16,669.88**	**3,437.50**	**13,232.38**
As at March 31, 2019			
INR	15,786.88	4,687.50	11,099.38
USD	2,482.81	-	2,482.81
Euro	3,497.05	-	3,497.05
Total	**21,766.74**	**4,687.50**	**17,079.24**

Sensitivity Analysis:

An increase / decrease of 50 basis points at the reporting date would have increased / decreased the Profit before Tax as shown below. This analysis assumes that all other variants remain constant.

(₹ in Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on profit before tax	
		FY 2019-20	FY 2018-19
INR Borrowings	0.5%	(17.19)	(23.44)
	-0.5%	17.19	23.44

iii. Commodity price risk:

The main raw materials which Company procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly and any adverse fluctuation in the raw material cost can impact the Company's operating margins depending upon the ability of the Company to pass on the increase in costs to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Company is able to adjust the selling prices following any changes in the raw material and other operating costs.

b. Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

For credit risk exposures, Refer Note No. 7-8,12-17 of the Financial Statements.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 40. Financial Risk Management, Objectives and Policies: (Contd..)

i. Trade Receivable:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extending credit to customers. The Company has a well-defined and robust internal credit management system to monitor unsecured sales. A strong internal credit risk management policy has enabled the Company to manage credit risk prudently even when credit risk were high. Credit Guarantee insurance is also obtained wherever required. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

To manage trade receivables, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. Expected Credit Loss (ECL) is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. A default on financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Ageing of trade receivables and allowances for doubtful debts are given below:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Ageing of Gross Carrying Amount		
Not Due	12,527.20	15,636.81
Upto 6 Months	1,604.41	1,611.12
6 to 12 Months	5.92	0.46
Above 12 Months	-	37.45
Gross Carrying Amount	**14,137.53**	**17,285.84**
Allowance for Doubtful Debts	5.50	37.45
Net Carrying Amount	**14,132.03**	**17,248.39**

Reconciliation of Loss allowance provision:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the Beginning	(37.45)	(40.53)
Impairement Loss Reversed	31.95	8.58
Additional Provision Created / Reversed	-	(5.50)
Balance at the End	**(5.50)**	**(37.45)**

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables are written off and subsequently recoveries are made, these are recognised as an income in the Financial Statements.

ii. Financial assets to which loss allowances measured using 12 months expected credit loss:

For financial assets (other than trade receivables)which are not measured fair value through Profit and Loss account, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The Company does not have any expected credit loss on financial assets which are measured on 12 month ECL and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

Cash and Cash Equivalents, Deposit with Banks:

Credit risk on cash and cash equivalents and deposit with banks is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 40. Financial Risk Management, Objectives and Policies: (Contd..)

Derivatives (Forward Contracts):

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties. For other financial assets the Company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Company adjusts its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

c. Liquidity risk:

Liquidity risk is the risk, where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities arranged with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities

(₹ in Lacs)

Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
As at March 31, 2020					
Interest bearing borrowings (including current maturities)	16,669.88	6,531.49	1,806.06	8,332.33	16,669.88
Financial derivatives	599.65	599.65	-	-	599.65
Other Liabilities	3,504.38	3,486.33	-	18.05	3,504.38
Trade Payables	1,566.02	1,566.02	-	-	1,566.02
Total	**22,339.93**	**12,183.49**	**1,806.06**	**8,350.38**	**22,339.93**
As at March 31, 2019					
Interest bearing borrowings (including current maturities)	21,766.74	8,280.39	1,776.32	11,710.03	21,766.74
Financial derivatives	93.60	93.60	-	-	93.60
Other Liabilities	3,328.17	3,328.17	-	-	3,328.17
Trade Payables	2,098.16	2,098.16	-	-	2,098.16
Total	**27,286.67**	**13,800.32**	**1,776.32**	**11,710.03**	**27,286.67**

B. Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves. Debt includes, interest bearing loans and borrowings, trade payables and other financial liabilities.

The Company monitors capital using Debt-Equity Ratio, which is Debt divided by Total Equity.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 40. Financial Risk Management, Objectives and Policies: (Contd..)

The ratios at March 31, 2020 and March 31, 2019 are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	3,256.32	3,256.32
Other Equity	58,382.93	52,307.07
Total Equity (A)	**61,639.25**	**55,563.39**
Non-Current Borrowings	8,330.83	11,707.03
Current Borrowings	4,725.44	7,079.24
Current Maturities of Non-Current Borrowings	3,611.11	2,976.97
Gross Debt (B)	**16,667.38**	**21,763.24**
Total Capital (A+B)	**78,306.63**	**77,326.63**
Gross Debt as Above	16,667.38	21,763.24
Less: Cash & Cash Equivalents	403.43	242.61
Net Debt (C)	**16,263.95**	**21,520.63**
Net Debt to Equity	**26%**	**39%**

Note 41. Financial Instruments: (By Category):

A. Financial Assets and Liabilities: (By Category):

(a) Financial Asset

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets - Fair value through profit and loss		
Derivatives		
Forward contracts and swaps	-	477.40
Financial assets - Amortised cost		
Investments	7,217.92	800.83
Trade receivables	14,132.03	17,248.39
Loans	1,912.71	2,454.11
Cash and bank balances	734.46	493.70
Other financial assets	790.78	871.20
Investment in Subsidiary Companies *	4,698.71	4,698.71
TOTAL	**29,486.61**	**27,044.34**

*Investment in Subsidiary Companies are valued at cost.

(b) Financial Liability

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities - Fair value through profit or loss		
Derivatives		
Forward contracts and swaps	599.65	93.60
Financial liabilities - Amortised cost		
Term Loan	11,941.94	14,684.00
Cash Credits/Working Capital Borrowing	4,725.44	7,079.24
Trade payables	1,566.02	2,098.16
Other financial liabilities	3,504.38	3,328.17
TOTAL	**22,337.43**	**27,283.17**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 41. Financial Instruments: (By Category): (Contd..)

B. Fair values of Financial Assets and Liabilities:

(₹ in Lacs)

Particulars	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2020			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		-	
Financial liabilities			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		599.65	
As at March 31, 2019			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		477.40	
Financial liabilities			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		93.60	

The Accounting Policy for fair value has been defined in Note 2(v) Financial Statements.

Valuation process and technique used to determine fair value:

Derivative contracts: The Company has entered into various foreign currency contracts and interest rate swaps contracts to manage its exposure to fluctuations in foreign exchange rates and interest rate respectively. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorized Dealer Banks.

C. Fair Value of Financial Instrument measured at amortized Cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Long-term variable-rate borrowings measured at amortized cost are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the Company is considered to be insignificant in valuation.

Note 42. Segment Information:

Segment information, as required under Ind AS-108 "Operating Segment", has been provided in the Consolidated Financial Statements of the Company and therefore, no separate disclosure on segment information is given in these Standalone Financial Statements.

Note 43. Employee Benefits (Ind AS-19):

A. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit & Loss are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund	379.54	316.71
Employer's Contribution to Superannuation Fund	71.03	86.71

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 43. Employee Benefits (Ind AS-19):

B. National Pension Fund

Contribution to National Pension Fund (NPS) debited to Statement of Profit & Loss amounts to ₹ 75.69 Lacs (Previous Year: ₹ 30.03 Lacs).

C. Defined Benefit Obligations (Gratuity):

The employees' Gratuity Scheme is managed by Life Insurance Corporation of India Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

D. Other Long Term Employee benefits:

Leave Encashment: The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation.

Sick Leave: The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2020 and March 31, 2019 - ₹ 169.62 Lacs, and ₹ 150.11 Lacs respectively. The Company had recognised ₹ 19.51 Lacs as an expense during the FY – 2019-20.

E. The disclosures required under Ind AS-19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

(₹ in Lacs)

Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2020		As at March 31, 2019	
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:				
Defined Benefit Obligation at beginning of the year	1,413.78	358.08	1,080.89	255.80
Current Service Cost	151.42	73.17	336.58	73.96
Interest Cost	96.14	24.35	62.42	14.77
Actuarial (Gain) / Loss	373.04	48.45	(3.24)	87.42
Benefit Paid	(107.23)	(55.28)	(62.87)	(73.87)
Defined Benefit Obligation at year end	**1,927.15**	**448.77**	**1,413.78**	**358.08**
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:				
Fair value of Plan Assets at beginning of the year	1,521.14	-	1,195.52	-
Expected return on Plan Assets	106.93	-	75.66	-
Actuarial Gain / (Loss)	7.15	-	19.96	-
Employer Contribution	210.00	-	230.00	-
Benefit Paid	(107.23)	-	-	-
Fair value of Plan Assets at year end	**1,737.99**	**-**	**1,521.14**	**-**
c) Reconciliation of Fair Value of Assets and Obligations:				
Fair Value of Plan Assets as at year end	1,737.99	-	1,521.14	-
Present Value of Obligation as at year end	1,927.15	448.77	1,413.78	358.08
Net Assets/ (Liability)	**(189.16)**	**(448.77)**	**107.36**	**(358.08)**

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 43. Employee Benefits (Ind AS-19): (Contd..)

(₹ in Lacs)

Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2020		As at March 31, 2019	
d) Expenses Recognized during the year:				
Current Service Cost	151.42	73.17	336.60	73.96
Interest Cost	96.14	24.35	62.42	14.77
Expected return on Plan Assets	(106.93)	NA	(75.68)	NA
Actuarial (Gain) /Loss	365.89	48.45	(23.20)	87.42
Expense Recognised in Statement of Profit & Loss	**506.52**	**145.97**	**300.14**	**176.15**
e) Remeasurements recongised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	373.04	-	(3.24)	-
Actual return on Plan Assets less Interest on Plan Assets	(7.15)	-	(19.96)	-
Expenses Recognised in Other Comprehensive Income (OCI)	**365.89**	**-**	**(23.20)**	**-**
f) Senstivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(118.03)	(34.75)	(88.14)	(27.63)
1% decrease in discount rate	137.27	41.53	101.65	32.29
1% increase in salary escalation rate	134.28	40.63	100.34	31.87
1% decrease in salary escalation rate	(117.82)	(34.69)	(88.68)	(27.79)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	596.35	108.04	307.95	64.72
Between 1 to 5 years	473.15	90.48	672.04	88.03
Between 6 to 10 years	649.07	68.27	667.96	57.74
h) Investment Details :				
LIC Group Gratuity (Cash Accumulation) Policy	100%	NA	100%	NA
i) Actuarial assumption				
Mortality Table (L.I.C.)	2006-08 IALM - Ultimate		2006-08 IALM - Ultimate	
Discount Rate (per annum)	6.80%	7.70%	7.70%	7.70%
Expected Return on Plan Assets (per annum)	7.70%	NA	7.70%	NA
Withdrawl Rate	1% - 3%		1% - 3%	
Rate of Escalation in Salary (per annum)	8.00%		8.00%	
Retirement Age	58		58	

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 43. Employee Benefits (Ind AS-19): (Contd..):

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow –

a. Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b. Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.

c. Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

d. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Note 44. Related Party Transaction:

A. Parties where control exists

Subsidiary / Step down Subsidiaries

a. Polyplex (Asia) Pte. Limited (PAPL)
b. PAR LLC USA (PAR LLC)
c. Polyplex (Thailand) Public Co Limited (PTL)
d. Polyplex (Singapore) Pte. Limited (PSPL)
e. Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)
f. Polyplex USA LLC (PU)
g. Polyplex Trading (Shenzhen) Co. Ltd. (PTSL)
h. Polyplex America Holdings Inc. (PAH)
i. EcoBlue Ltd. (EL)
j. Polyplex Europe B. V. (PEBV)
k. Polyplex Paketleme Çozumleri Sanayi Ve Ticaret A.S. (PPC)
l. PT Polyplex Films Indonesia

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

Key Management Personnel (KMP)

a. Mr. Sanjiv Saraf (Chairman)
b. Mr. Pranay Kothari (Executive Director)
c. Mr. Brij Kishore Soni (Independent Director)
d. Mr. Jitender Balakrishnan (Independent Director)
e. Ms. Pooja Haldea (Independent Director)
f. Mr. Ranjit Singh (Independent Director)
g. Mr. Sanjiv Chadha (Non-Executive Director)
h. Dr. Suresh Inderchand Surana (Independent Director) *
i. Mr. Ashok Kumar Gurnani (Company Secretary)
j. Mr. Manish Gupta (Chief Financial Officer)

* Ceased to be director on June 11, 2018, reappointed on July 10, 2019

Relative of Key Management Personnel

a. Ms. Ritu Kothari

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 44. Related Party Transaction: (Contd..)

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

a. Beehive Systems Private Limited
b. Manupatra Information Solutions Private Limited
c. Dalhousie Villa Private Limited
d. Bhilangana Hydro Power Limited
e. Kotla Hydro Power Private Limited
f. Punjab Hydro Power Private Limited
g. Abohar Power Generation Private Limited
h. Kanchanjunga Power Company Private Limited
i. Utkarsh Trading and Holdings Limited
j. Suresh Surana & Associates, LLP #
k. RSM Astute Consulting Private Limited #
l. Praxis Consulting & Information Services Private Limited
m. Rekhta Foundation
n. S. D. College Society (Lahore), New Delhi

#Ceased to be related party on June 11, 2018, reinitiated on July 10, 2019

Nature of Transactions with Related Parties

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Material / Services		
Subsidiaries	2.19	186.12
Relative of KMP	29.70	31.48
Enterprises over which KMP have significant influence	44.26	10.63
	76.15	**228.23**
Services Rendered		
Enterprises over which KMP have significant influence	173.71	106.71
	173.71	**106.71**
Sale of Material		
Subsidiaries	10,010.44	10,908.02
	10,010.44	**10,908.02**
Reimbursement of expenses from		
Subsidiaries	-	25.81
Enterprises over which KMP have significant influence	129.30	96.49
	129.30	**122.30**
Dividend Received		
Subsidiaries	19,185.24	16,984.05
	19,185.24	**16,984.05**
Interest Received		
Enterprises over which KMP have significant influence	167.45	145.00
	167.45	**145.00**
Donation Given		
Enterprises over which KMP have significant influence	100.00	-
	100.00	**-**
Key management personnel compensation		
Managerial Remuneration	681.65	552.86
Commission to Director	310.00	275.00
Director's Sitting Fees	32.00	32.50
	1,023.65	**860.36**

Notes to Standalone Financial Statements
for the year ended March 31, 2020

Note 44. Related Party Transaction: (Contd..)

Outstanding Balances

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Receivables on account of sale of Goods / Services		
Subsidiaries	2,785.99	3,360.96
Enterprises over which KMP have significant influence	46.20	8.01
	2,832.19	**3,368.97**
Receivables on account of expenses recovered		
Enterprises over which KMP have significant influence	44.15	5.14
	44.15	**5.14**
Loan given to		
Enterprises over which KMP have significant influence	950.00	1,450.00
	950.00	**1,450.00**
Security Deposits Recoverable		
Relative of KMP	20.25	20.25
Enterprises over which KMP have significant influence	5.00	5.00
	25.25	**25.25**
Security Deposits Payable		
Enterprises over which KMP have significant influence	11.26	-
	11.26	**-**
Payables		
Subsidiaries	-	225.59
Key management personnel	460.00	395.00
Enterprises over which KMP have significant influence	7.07	-
	467.07	**620.59**
Investment in Equity / Shares		
Subsidiaries	4,698.71	4,698.71
	4,698.71	**4,698.71**

D. Terms & conditions of transactions with Related Parties

The sales to and purchases from related parties, including rendering / availing of service, are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2020 and March 31, 2019 other than that stated above.

Note 45. Contingent Liabilities not provided for and other commitments, in respect of:

A. Disputed matters under litigation:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Excise Duty, Customs Duty and Service Tax *	169.03	1,012.04
Sales Tax and Entry Tax **	328.10	198.89
Income Tax	753.08	-
Others	37.65	33.62

* Amount deposited ₹ 1.47 Lacs (March 31, 2018: ₹ 353.86 Lacs)
** Amount deposited ₹ 68.18 Lacs (March 31, 2018: ₹ 55.55 Lacs)

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 45. Contingent Liabilities not provided for and other commitments, in respect of: (Contd..)

B. Guarantees

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantees given to Banks and others	680.87	564.86

Note 46. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 378.12 Lacs (Previous Year: ₹ 1,183.47 Lacs) amounts to ₹ 797.36 Lacs (Previous Year: ₹ 4,175.50 Lacs).

Note 47. Research and Development:

The revenue expenditure of ₹ 538.06 Lacs (Previous Year: ₹ 454.62 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Note 48. Capital Work-in-Progress includes:

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

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Pre-operative expenses brought forward	9.91	63.06
Raw Material Consumed	3.61	10.09
Power & Fuel	-	2.53
Interest on Term Loan	30.00	-
Miscellaneous & Other Expenses	1.49	14.00
Total	**45.01**	**89.68**
Less : Scrap Sales	0.52	0.46
Less : Allocated and Capitalised during the year	9.55	79.31
Balance Pending Allocation Transfer to Balance Sheet	**34.94**	**9.91**

Note 49. Dividend:

Detail of dividend paid and proposed to be distributed:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Dividend Paid to Equity Shareholders	3,518.30	1,279.38
Corporate Dividend Tax	-	-
Dividend Proposed to Equity Shareholders	1,919.08	13,113.69
Corporate Dividend Tax	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 50. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

The information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company:

(₹ in Lacs)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

Note 51. Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR Committee has been constituted by the Company as per the requirements of the Act. The funds were primarily allocated to corpus and utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the Company during the year	277.58	106.02
Amount spent during the year on		
Promoting Culture / Language	80.00	70.00
Promoting Education	41.56	18.42
Total	**121.56**	**88.42**

Note 52. Earnings Per Share:

(₹ in Lacs)

Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit / Loss for the year	(₹ in Lacs)	22,981.65	22,808.40
Weighted average number of equity shares considered as Denominator for calculation of Basic EPS	(No.)	3,19,84,600	3,19,84,600
Weighted average number of equity shares considered as Denominator for calculation of Diluted EPS	(No.)	3,19,84,600	3,19,84,600
Basic EPS	(₹)	71.85	71.31
Diluted EPS	(₹)	71.85	71.31
Face Value per Share	(₹)	10.00	10.00

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 53. Leases (Ind AS-116):

A. As a Lessee

1. Right of Use:

The Company has created following Right of Use Assets as under as per Para C8 (b)(i) of Ind AS-116 by applying Modified Retrospective Method as prescribed in Para C5 of the standard:

(₹ in Lacs)

Particulars	Amount
Additions during FY 2019-20	714.90
Depreciation charge	11.68
Carrying amount as at March 31, 2020	703.22
Cash Flow for Leases	2.07

2. Maturity analysis of lease liabilities as required by Para 58 of Ind AS-116 has been disclosed as follows:

(₹ in Lacs)

Particulars	Amount
0-1 year	2.07
1-5 years	1.71
More than 5 years	16.34

3. The Company has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹ 148.97 Lacs associated with these lease.

4. The Company has recognised Interest expenses of ₹ 1.83 Lacs on Lease Liabilities during the year.

5. Lease contracts entered by the Company majorly pertain for Land taken on lease to conduct its business in the ordinary course of business.

6. The Company does not have any lease restrictions and commitment towards variable rent as per the contract. Also the Company does not have lease term extension options which are not reflected in the measurement of lease liabilities.

7. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

8. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS-116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

9. The Company has elected not to apply the requirements in Para C8 to leases for which the lease term ends within 12 months of the date of initial application as per practical expedient available under Para C10 of this standard.

B. As a Lessor

1. Lease contracts entered by the Company majorly pertain to floors of building given on lease to companies for conducting their business.

2. The Company has managed risk associated with the rights in leased assets given by incorporating covenants in agreement like indemnification of occurrence of losses due to action of lessees.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 53. Leases (Ind AS-116): (Contd..)

B. As a Lessor (Contd..)

3. Maturity Analysis of Lease Payments to be received

(₹ in Lacs)

Particulars	Amount
0-1 year	121.63
1-5 years	-
More than 5 years	-

Note 54. Auditor's Remuneration:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Audit Fee	64.70	47.00
Tax Audit Fee	4.00	3.00
Certification & Other Fees	2.30	6.45
Out of Pocket Expenses	1.05	2.17
Total	**72.05**	**58.62**

Note 55:

Details of Investment made / Loan Given under Section 186(4) of the Companies Act, 2016:

1. Details of Investment made are given in Note - 7 of Financial Statements.

2. Detail of Loan Given by the Company are as under:

(₹ in Lacs)

Name of the Entity	Purpose	Balance of Loan As at March 31, 2020	Balance of Loan As at March 31, 2019
Utkarsh Trading and Holdings Limited	Business	950.00	1,450

Note 56:

Due to COVID-19 pandemic and the consequent lockdown announced by the Government of India, the operations of the Company had been temporary suspended in Khatima and Bazpur plants in Uttarakhand in India for few days in March & April, 2020. The management has evaluated the possible impact of this pandemic on the business operations and the financial position of the Company and believes that there has been no significant impact on the financial position and results of the Company, as at and for the year ended March 31, 2020. Further, the Company has adequate liquidity available to honour all its liabilities and obligations, as and when due. The management will continue to monitor any material changes to its COVID19 impact assessment, resulting from future economic conditions and an uncertain environment.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

Note 57. Events occurring after the Balance Sheet Date:

There are no events occurring after the Balance Sheet date for the financial year 2019-20 except as follows:

a. Final Dividend proposed by the Company as per Note No – 49

b. Board of Directors of the Company at its meeting held on April 9, 2020, have approved Buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 475/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 5,481.50 Lacs ("Maximum Buyback Size") from the open market through Stock Exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

Accompanying Notes to Standalone Financial Statements 1-57

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF

POLYPLEX CORPORATION LIMITED

Report on the Audit of the Consolidated Ind-AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind-AS Financial Statements of **POLYPLEX CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate Financial Statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit (including Other Comprehensive Income), Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards on Auditing (SAs) are further described in the Auditor's responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note no. 63 of the Consolidated Financial Statements which states the management's evaluation of COVID-19 impact on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition:** For the year ended March 31, 2020 the Company has recognized revenue from contracts with customers amounting to ₹ 4,46,487.58 lacs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue represents a significant line item in the Statement of Profit and Loss account and also a key indicator of business performance. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.	**Our Audit procedures included the following:** • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group. • On sample basis, examining supporting documents for the sales transaction occurring during the year and near the end of the accounting period including the credit notes issued after period end to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with the conditions, and whether it was in compliance with the Group's Policy. • Performed analytical procedure to identify the unusual trends and also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • On sample basis, examining supporting documents/ approvals and calculation of discounts, claims, rebates etc.

Information Other than the Consolidated Financial statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, (including other comprehensive income), and Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Standards on Auditing (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 Consolidated Financial Statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated 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.

Other Matter

We did not audit the Financial Statements of ten subsidiaries, whose Financial Statement reflect total assets of ₹ 645,839.85 lacs and total net assets of ₹ 442,190.20 Lacs as at March 31, 2020, total revenues of ₹ 2,73,812.15 Lacs and net cash out flow ₹ 11,073.89 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditors. These subsidiaries are located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by the other auditors under generally accepted auditing standards accepted in their respective countries. The Holding Company's management has converted these Financial Statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act , in so far as it relates to the aforesaid subsidiaries , is based solely on the report of other auditors and certified converted Financial Statement by management.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on consideration of the report of the other auditors on Financial Statements and the other financial information of subsidiaries as referred to in Other Matters paragraph, we report, to the extent applicable, that:

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

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

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

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, 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 Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2020 on its financial position of the Group– Refer Note 49 to the Consolidated Financial Statements.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including long term derivative contracts.

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

iv. The reporting on the disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

For S.S. KOTHARI MEHTA & Company
Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta
Partner
Membership No.:093214
UDIN: 20093214AAAAAM2280

Place: Faridabad
Date: May 25, 2020

"Annexure A"

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of POLYPLEX CORPORATION LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

In conjunction with our audit of the Consolidated Financial Statements of **POLYPLEX CORPORATION LIMITED** as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **POLYPLEX CORPORATION LIMITED** (hereinafter referred to as the"Holding Company") as of that date.

The audit of the internal financial controls over financial reporting is applicable only to the Holding Company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies 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, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting(the "Guidance Note") issued by 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 judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

For S.S. KOTHARI MEHTA & Company
Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta
Partner
Membership No.:093214

Place: Faridabad
Date: May 25, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lacs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
1	**Non Current Assets**			
	(a) Property, Plant and Equipment	4	2,82,053.94	2,23,798.64
	(b) Capital work-in-progress	5	2,978.91	18,143.44
	(c) Investment Property	6	297.12	303.89
	(d) Goodwill		26.07	21.99
	(e) Other Intangible Assets	7	30.19	49.97
	(f) Financial Assets			
	(i) Investments	8	16,065.32	11,227.95
	(ii) Loans	9	1,272.55	1,163.69
	(iii) Other Financial Assets	10	6,254.45	27,848.40
	(g) Deferred Tax Assets	11	2,316.18	5,586.14
	(h) Other Non-current Assets	12	7,595.02	9,809.67
	Total Non Current Assets		**3,18,889.75**	**2,97,953.78**
2	**Current Assets**			
	(a) Inventories	13	67,781.20	66,409.07
	(b) Financial Assets			
	(i) Investments	14	7,217.92	1,088.22
	(ii) Trade Receivables	15	67,895.09	60,117.36
	(iii) Cash & Cash equivalents	16	44,388.78	33,370.06
	(iv) Bank balances other than (iii) above	17	51,725.46	44,994.70
	(v) Loans	18	992.56	1,533.78
	(vi) Other Financial Assets	19	4,497.34	4,689.23
	(c) Current Tax Assets	20	646.92	704.67
	(d) Other Current Assets	21	12,190.22	9,930.73
	Total Current Assets		**2,57,335.49**	**2,22,837.82**
	TOTAL ASSETS		**5,76,225.24**	**5,20,791.60**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	22	3,256.32	3,256.32
	(b) Other Equity	23	2,99,669.49	2,73,867.80
	Equity attributable to owners of Polyplex Corporation Ltd.		**3,02,925.81**	**2,77,124.12**
	Non Controlling Interests		1,45,741.42	1,23,518.76
	Total Equity		**4,48,667.23**	**4,00,642.88**
	Liabilities			
2	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	24	43,118.70	24,548.04
	(ii) Other financial liabilities	25	231.59	-
	(b) Provisions	26	1,628.32	1,165.60
	(c) Deferred Tax Liabilities	11	3,988.80	337.58
	(c) Other non-current liabilities	27	490.77	82.99
	Total Non Current Liabilities		**49,458.18**	**26,134.21**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	28	25,667.83	41,875.13
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises	29	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	29	23,993.99	23,530.07
	(iii) Other financial liabilities	30	23,343.98	23,915.46
	(b) Other current liabilities	31	4,020.97	4,423.24
	(c) Provisions	32	466.82	214.83
	(d) Current Tax Liabilities (Net)	33	606.24	55.78
	Total Current Liabilities		**78,099.83**	**94,014.51**
	Total Liabilities		**1,27,558.01**	**1,20,148.72**
	TOTAL EQUITY AND LIABILITIES		**5,76,225.24**	**5,20,791.60**
	Accompanying notes to the Consolidated Financial Statements	1 - 63		

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lacs)

Particulars		Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	34	4,48,710.25	4,56,989.25
II	Other Income	35	6,140.39	16,353.69
III	**Total Income (I + II)**		**4,54,850.64**	**4,73,342.94**
IV	**Expenses**			
	Cost of Materials Consumed	36	2,42,372.27	2,72,817.34
	Purchases of Stock-in-trade		9,373.02	13,742.59
	Changes in Inventories of finished goods & work-in-progress	37	(745.28)	(7,011.72)
	Employee benefits expense	38	38,722.24	34,460.36
	Finance costs	39	1,801.84	2,907.93
	Depreciation and Amortisation expenses	7A	25,333.09	20,910.39
	Other expenses	40	80,916.07	69,843.61
	Total Expenses (IV)		**3,97,773.25**	**4,07,670.50**
V	**Profit Before Exceptional Items and Tax (III - IV)**		**57,077.39**	**65,672.44**
VI	Exceptional Items Gain / (Loss) (Refer Note: 59)		6,941.09	-
VII	**Profit Before Tax (V + VI)**		**64,018.48**	**65,672.44**
VIII	**Tax Expense:**	41		
	(1) Current Tax		9,446.43	7,491.90
	(2) Deferred Tax		5,220.07	(185.88)
	(3) Earlier year Tax		(30.10)	1.13
	Total		**14,636.40**	**7,307.15**
IX	**Profit after Tax (VII - VIII)**		**49,382.08**	**58,365.29**
X	**Other Comprehensive Income**	42		
	Re-measurement Gain / (Loss) on Defined Benefit Plans			
	Owner of the Parent		(423.06)	(90.16)
	Non-controlling Interest		(54.92)	(108.92)
	(A) (i) Items that will not be Reclassified to Profit or Loss:		**(477.98)**	**(199.08)**
	Owner of the Parent		(101.02)	8.11
	Non-controlling Interest		(8.59)	-
	(ii) Income Tax on relation to items that will not be Reclassified to Profit or Loss:		**(109.61)**	**8.11**
	Gain / (Loss) on change in fair value of Investment (Minority nil)		(1,842.91)	288.82
	FCTR Owner of the Parent		16,394.14	3,500.88
	Non-controlling Interest		8,136.98	(2,385.44)
	(B) Items that will be Reclassified to Profit or Loss:		**22,688.21**	**1,404.26**
	Total Other Comprehensive Income (Net of Tax) (A(i-ii)+B)		**22,319.84**	**1,197.07**
XI	**Total Comprehensive Income for the year (IX+X)**		**71,701.92**	**59,562.36**
XII	**Profit / (Loss) for the period attributable to:**			
	Owner of the Parent		28,204.49	33,003.07
	Non-controlling Interest		21,177.59	25,362.22
XIII	**Other Comprehensive Income for the year attributable to:**			
	Owner of the Parent		14,229.19	3,691.43
	Non-controlling Interest		8,090.65	(2,494.36)
XIV	**Total Comprehensive Income for the year attributable to:**			
	Owner of the Parent		42,433.68	36,694.50
	Non-controlling Interest		29,268.24	22,867.86
XV	**Earnings Per Equity Share**			
	Basic (in ₹)		88.18	103.18
	Diluted (in ₹)		88.18	103.18
	Accompanying notes to the Consolidated Financial Statements	1 - 63		

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lacs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit Before Tax		**64,018.48**		**65,672.44**
Adjusted for:-				
Depreciation and Amortisation	25,333.09		20,910.39	
Allowance for doubtful debts/ bad debts written off	31.95		0.84	
Finance Cost	1,801.84		2,907.93	
Interest Income	(3,689.76)		(3,308.78)	
Decrease of inventories to net realisable value (reversal)	367.00		421.10	
Amortisation of grant income	(133.20)		(249.88)	
Unrealised Exchange Difference Loss / (Gain)	9,059.15		(8,774.61)	
MTM loss /(gain) on derivative financial instruments measured at FVTPL	1,975.84		(424.10)	
Exceptional Item loss / (gain) on Impairment of Property, Plant & Equipment	(7,105.76)		-	
Exceptional Item loss / (gain) on Impairment of Investment in Subsidary	164.67		-	
Net loss / (gain) on sale of Property, Plant & Equipment	(25.76)		20.31	
Property Plant & Equipment Written off	12.77		0.41	
Unrealised loss / (Gain) on Investments measured at FVTPL	(17.09)		(0.83)	
Net Loss / (Gain) on Sale of Investments measured at FVTPL	(125.70)	**27,649.04**	(40.66)	**11,462.12**
		91,667.52		**77,134.56**
Operating Profit before Working Capital Changes				
Working Capital Adjustments:				
Trade Receivables	(5,859.60)		(5,406.79)	
Other Financial Assets	(1,977.89)		(467.92)	
Other Non Financial Assets	(2,134.24)		(1,336.87)	
Inventories	(1,739.13)		(10,177.13)	
Trade Payables	463.92		(3,216.32)	
Other Financial Liabilities	3,105.73		3,705.08	
Other Non Financial Liabilities	(2,001.23)		1,837.65	
Provisions	392.67	**(9,749.77)**	735.46	**(14,326.84)**
Cash Generated from Operations		**81,917.75**		**62,807.72**
Income Taxes Paid		(8,808.12)		(7,689.16)
Cash Flow Before Exceptional Items		73,109.63		55,118.56
Exceptional Items		-		-
Net Cash From Operating Activities		**73,109.63**		**55,118.56**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(47,228.46)		(37,246.76)	
Sale of Property, Plant & Equipment	220.15		246.18	
Loans to Related Party	500.00		-	
Sale of Investment in Subsidiary	-			
Sale / (Purchase) of non-current Investments	(6,680.28)		2,026.90	
Deposits with Bank other than Cash & Cash equivalent	14,863.19		3,058.59	
Purchase of short term Investments	(3,15,706.94)		(1,30,428.65)	
Sale of short term Investments	3,09,720.03		1,29,475.89	
Interest received	3,816.06		3,241.72	
Net Cash Used In Investing Activities		**(40,496.25)**		**(29,626.13)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Non-Current Borrowings	28,242.87		20,418.78	
Repayment of Long Term Borrowings	(15,641.27)		(21,680.18)	
Net Proceeds/ (Repayment) from Short Term Borrowings	(16,327.33)		(6,114.01)	
Principal payment of Lease Liabilities	(64.08)		-	
Interest paid	(2,380.33)		(2,911.90)	
Dividends paid to Non Controlling Interest (including tax)	(7,044.59)		(6,569.77)	
Dividends paid	(16,552.08)		(14,295.88)	
Net Cash used In Financing Activities		**(29,766.81)**		**(31,152.96)**

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
D. EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN OPERATION	8,172.15	3,095.79
Net Increase In Cash and Cash Equivalents	11,018.72	(2,564.74)
Total Cash and Cash Equivalents at the beginning of the year	33,370.06	35,934.80
Total Cash and Cash Equivalents at the end of the year	44,388.78	33,370.06
Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 16):		
Balance with schedule banks	378.27	230.48
Balance with non-schedule banks	43,935.65	33,086.98
Cash on hand	74.86	52.60
Total	44,388.78	33,370.06

Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 2019	Cash Flows	Non Cash Change	As at March 31, 2020
Non Current Borrowings	24,548.04	12,601.60	5,969.06	43,118.70
Current Borrowings	41,875.13	(16,327.33)	120.03	25,667.83
Interest Accrued	96.52	(2,380.33)	2,394.88	111.07
Lease liability obligation	-	(64.08)	377.20	313.12
Dividend and tax thereon	265.59	(16,552.08)	16,632.98	346.49

(₹ in Lacs)

Particulars	As at April 1, 2018	Cash Flows	Non Cash Change	As at March 31, 2019
Non Current Borrowings	25,481.97	(1,261.40)	327.47	24,548.04
Current Borrowings	48,388.24	(6,114.01)	(399.10)	41,875.13
Interest Accrued	100.49	(2,911.90)	2,907.93	96.52
Dividend and tax thereon	167.69	(14,295.88)	14,393.78	265.59

Accompanying notes to the Consolidated Financial Statements 1 - 63

NOTE: Previous Year figures are regrouped wherever necessary.

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Statement of Consolidated Changes in Equity

for the year ended March 31, 2020

A. Equity Share Capital

₹ in Lacs (Except number of shares)

Particulars	No. of Shares	Amount
As at April 1, 2018	**3,19,84,600**	**3,256.32**
Changes in equity share capital during the year	-	-
As at March 31, 2019	**3,19,84,600**	**3,256.32**
Changes in equity share capital during the year	-	-
As at March 31, 2020	**3,19,84,600**	**3,256.32**

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus						Items of other comprehensive income		Attributable to Owners of the Company
	Share Warrants Forfeited	Capital Reserve	Securities premium reserve	Legal Reserve	General Reserve	Retained earnings	Fair Value of Investment in Debt instrument through OCI	Foreign Currency Translation Reserve	
As at April 1, 2018	**250.80**	**58.36**	**13,886.37**	**1,802.78**	**5,955.10**	**1,87,496.75**	**(230.95)**	**42,347.16**	**2,51,566.37**
Profit for the year	-	-	-	-	-	33,003.07	-	-	33,003.07
Other Comprehensive Income / (Loss) for the year	-	-	-	-	-	(98.27)	288.82	3,500.88	3,691.43
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**-**	**-**	**32,904.80**	**288.82**	**3,500.88**	**36,694.50**
Transaction with owners, recorded directly in Equity:	-	-	-	-	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	-	-	(14,393.07)	-	-	(14,393.07)
Transaction with NCI	-	-	-	-	-	-	-	-	-
Dividend paid (including DDT) to NCI	-	-	-	-	-	-	-	-	-
Addition/(deletion) during the period	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	250.00	(250.00)	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
As at March 31, 2019	**250.80**	**58.36**	**13,886.37**	**1,802.78**	**6,205.10**	**2,05,758.48**	**57.87**	**45,848.04**	**2,73,867.80**
Profit for the year	-	-	-	-	-	28,204.49	-	-	28,204.49
Other Comprehensive Income / (Loss) for the year	-	-	-	-	-	(322.04)	(1,842.91)	16,394.14	14,229.19
Total Comprehensive Income / (Loss) for the year	**-**	**-**	**-**	**-**	**-**	**27,882.45**	**(1,842.91)**	**16,394.14**	**42,433.68**
Transaction with owners, recorded directly in Equity:	-	-	-	-	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	-		(16,631.99)	-	-	(16,631.99)
Transaction with NCI	-	-	-	-	-	-	-	-	-
Dividend paid (including DDT) to NCI	-	-	-	-	-	-	-	-	-
Addition/(deletion) during the period	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	250.00	(250.00)	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**250.80**	**58.36**	**13,886.37**	**1,802.78**	**6,455.10**	**2,16,758.94**	**(1,785.04)**	**62,242.18**	**2,99,669.49**

Accompanying notes to the Consolidated Financial Statements 1 - 63

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 1. The Group Information:

Polyplex Corporation Limited ("PCL") is a public limited Company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange of India Limited ("NSE") and the BSE Limited (Formerly Bombay Stock Exchange) ("BSE"), in India. The Registered Office of the Company is situated at Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand.

The Group is principally engaged in the manufacturing of plastic films and has currently manufacturing plants located in India, Thailand, Indonesia, Turkey and USA with worldwide distribution.

These Consolidated Financial Statements were approved and adopted by board of directors of the Company in their meeting held on May 25, 2020.

Note 2. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation of Consolidated Financial Statements:

(i) Compliance with Ind AS

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Historical cost convention

The Consolidated Financial Statements have been prepared on an accrual basis under historical cost convention except for certain assets and liabilities (including derivative instruments and investment in mutual funds) that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

(iii) Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Part II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(iv) Change in accounting policy

Effective April 1, 2019, the Group adopted IND-AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as an amount to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to particular lease recognised in the Balance Sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 1071.74 Lacs, and a lease liability of ₹ 377.20 Lacs. The effect of this adoption is disclosed in Note No. 57 on the profit before tax, profit for the period and earnings per share. IND-AS 116 will result in an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IND-AS 116 is applied only to contracts that were previously identified as leases under IND-AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 5%.

(v) Basis of Consolidation

The Consolidated Financial Statements comprise of the Financial Statements of Polyplex Corporation Limited along with its subsidiaries (jointly referred to as the 'Group' herein under) and the following as on 31.03.2020:

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

Subsidiaries: Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed off during the year are included in the Consolidated Financial Statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The subsidiary companies considered in the Consolidated Financial Statements are:

Name	Proportion of Ownership Interest (in %)
Polyplex (Asia) Pte. Ltd.	100.00
Polyplex (Thailand) Public Company Ltd.	51.00
Polyplex (Singapore) Pte. Ltd.	51.00
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi	51.00
Polyplex Trading (Shenzhen) Company Ltd.	51.00
PAR LLC	100.00
Polyplex America Holdings Inc.	51.00
Polyplex USA LLC	51.00
EcoBlue Limited	33.92
Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi	51.00
Polyplex Europe BV	51.00
PT Polyplex Films Indonesia	51.00

(vi) The Financial Statements of the parent Company and its subsidiaries have been Consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – "Consolidated Financial Statements".

(vii) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being Consolidated is identified and presented in the Consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-Controlling Interest is not considered.

(viii) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the Financial Statements as Goodwill or Capital Reserve as the case may be.

(ix) Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The Consolidated Financial Statements are presented in Indian National Rupee ('₹'), which is the Group's functional and presentation currency. All amounts have been presented in lacs with two decimals, unless otherwise indicated.

(x) In the Group's Financial Statements, all assets, liabilities and transactions of the Group entities with functional currency other than the Indian Rupee are translated into Indian Rupee upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Indian Rupee at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupee at the average rate over the reporting period. The resulting exchange difference arising on translations are recognised in OCI and accumulated in other Equity, except to the extent that they are allocated to Non Controlling Interest.

(xi) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent Company's Financial Statements.

(b) Revenue recognition

Revenue recognition

The Group derives revenue primarily from sale of plastic films, resins and other products.

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated using

Notes to Consolidated Financial Statements

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most likely method based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract. Payments from customers for the goods rendered are normally received within 30 days to 150 days as per terms of the sales.

The Group adjusts the transaction price for sales returns, based on the historical results, measured on the basis of the margin of the sale and consequently, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

(i) Revenue from Sale of Products :

Revenue from sale of products is recognised at the point of time when the customer obtains controls of the asset usually on delivery of goods to the customers.

Contract balances:

Contract assets: A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Group performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section (q) financial instruments – initial recognition and subsequent measurement

Contract liabilities: A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract: the Group pays sales commission to its selling agents for contract that they obtain for the Group. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included in advertisement and sales promotion expense under other expenses) because the amortization period of the asset that the Group otherwise would have used is one year or less.

(ii) Rental income

The Group's policy for recognition of revenue from operating leases is described in note 2(d) below.

(iii) Dividend income

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(iv) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Export Incentive

Incentives on exports are recognised in books after due consideration of certainty of utilisation/ receipt of such incentives

(c) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is treated as deferred income and released to the Statement of Profit and Loss over the expected useful lives of the assets concerned or other systematic basis representative of the pattern of fulfilment of obligations associated with grants received.

The Grants are presented under the head other income.

(d) Leasing

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through

Notes to Consolidated Financial Statements

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the period of the lease and (iii) the Group has the right to direct the use of the asset.

(i) As a lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Respective leased assets are included in the Consolidated Balance Sheet based on their nature.

(e) Foreign currency translation

(i) Functional and presentation currency

The Consolidated Financial Statements are presented in Indian rupee (₹), which is Group's functional and presentation currency unless stated otherwise.

All amounts have been rounded off to the nearest ₹ Lacs, unless otherwise indicated

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis.

(f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs are not capitalized during extended periods in which active development of qualifying assets is suspended. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(h) Income Tax

Income Taxes: Income Tax expense comprises current and deferred taxes. Income Tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination.

Current Income Taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilized.

Deferred tax: Deferred tax assets and liabilities are measured based on 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 by the Balance Sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to Income Taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which is likely to give future economic benefits in the form of availability of set off against future Income Tax liability. Accordingly, MAT is recognised as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(i) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The Group has applied Ind AS-16 with retrospective effect for all of its Property, Plant and equipment as on the transition date i.e. April 1, 2016

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/rebates, borrowing costs, any costs that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling/removing the item and restoring the site on which it was located under an obligation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation, insurance spares and cost of inspection/overhauling are depreciated separately based on their remaining useful life provided these are of significant amounts commensurate with the size of the Group and scale of

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its operations. The carrying amount of any equipment / inspection / overhauling accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized net with in other income/other expense in Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are available for their intended use. Depreciation is calculated using the methods specified below to allocate their cost, net of their residual values, over their estimated useful lives.

i. **PCL:**

Depreciation on fixed assets at manufacturing plant at Khatima and Bazpur is provided on Written Down Value Method (WDV) as per life prescribed in Schedule II to the Companies Act, 2013 except for Plant and Machinery running on continuous process basis, where based on internal assessment and independent technical evaluation carried out by external valuer the management believes that the useful life of 18 years best represents the period over which management expects to use these assets. Hence the useful life for such assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Plant & Machinery pertaining to the Plastic film lines and Polyester resin plant has been considered as continuous process as per technical assessment.

Depreciation on fixed assets at Corporate Office at NOIDA is provided on Straight Line Method (SLM) at the life prescribed in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful life of the assets have been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. and are as under:

Asset Class	Useful life
Buildings	30-60 years
Plant and Machinery	5-30 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years

ii. **PTL (Including Subsidiaries):**

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

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight -line basis. Depreciation of other equipment is calculated on the sum of the year digits basis.

The estimated useful lives of plant and equipment are as follows

Asset Class	Useful life
Buildings	20-50 years
Machinery & equipment	4-20 years
Furniture, fixtures & office equipment	3-10 years
Motor Vehicles	5 years

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

iii. **PAPL:**

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

iv. **PAR LLC:**

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

(j) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property being building is depreciated using the straight-line method over their estimated useful life of 30 years.

The Group has elected to continue with the carrying value of Investment Property recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Costs comprises purchase price, including import duties and non-refundable taxes, after deducting trade discounts/ rebates, borrowing costs and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

i) PCL

Assets	Estimated useful life
Computer software	2-3 years

ii) PTL (Including Subsidiaries):

Assets	Estimated useful life
Computer software	3-15 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

The Group has elected to continue with the carrying value of all of its intangibles assets recognised as on April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

(l) Inventories

(i) Finished goods and work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress is computed on weighted average basis and it includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Finished goods and work-in-progress are written down if anticipated net realisable value declines below the carrying amount of the inventories and such write downs to inventories are recognised in profit or loss. When reasons for such write downs ceases to exist, such write downs are reversed through profit or loss.

(ii) Inventories of raw materials & components, stores & spares and stock-in-trade are valued at lower of cost and net realisable value. Raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Write down of such inventories are recognised in profit or loss and when reasons for such write downs ceases to exist, such write downs are reversed through profit or loss. Cost of such inventories comprises of purchase price and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. By-products used as raw material are valued at transfer price linked with net realisable value. Cost of raw materials & components, stores & spares and stock-in-trade are determined on weighted average cost method.

(m) Provisions, contingent liabilities and contingent assets

(i) Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

(ii) A contingent liability is not recognised in the Consolidated Financial Statements, however, is disclosed, unless

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for the year ended March 31, 2020

the possibility of an outflow of resources embodying economic benefits is remote. If it becomes probable that an outflow of future economic benefits will be required for an item dealt with as a contingent liability, a provision is recognised in the Consolidated Financial Statements of the period (except in the extremely rare circumstances where no reliable estimate can be made).

(iii) A contingent asset is not recognised in the Consolidated Financial Statements, however, is disclosed, where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the asset is no longer a contingent asset, and is recognised as an asset.

(iv) Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(n) Research and development expenditure

Expenditure on research and development of products is included under the natural heads of expenditure in the year in which it is incurred except which relate to development activities whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes.

Such costs are capitalised if they can be reliably measured, the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the Consolidated Balance Sheet.

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within operating cycle i.e. twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the Consolidated Balance Sheet.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plans towards payment of gratuity/ severance payments; and
- defined contribution plans towards provident fund plan & employee pension scheme, employee state insurance, superannuation scheme, national pension scheme and provident fund.

Defined benefit plans:

Retirement benefits in the form of gratuity/severance payments are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability/severance payments based on actuarial valuation of the gratuity/ severance payments liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Group contributes to the gratuity fund, which is recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans:

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed by the end of the reporting period.

(q) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For assets in the nature of debt instruments, this will depend on the business model. For assets in the nature of equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

Initial recognition and measurement

All financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Consolidated Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Trade Receivable

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Group may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement. Subsequent recoveries of amounts previously written off are credited to other Income.

(iii) Impairment of financial assets

In accordance with Ind AS 109 *Financial Instruments,* the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortised cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions IND-AS 115 Revenue, the Group applies simplified approach permitted by IND-AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a 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 recognising impairment loss allowance based on twelve-months ECL

ECL represents expected credit loss resulting from all possible defaults and is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate. While determining cash flows, cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms are also considered.

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized (i.e. removed from the Balance Sheet) only when

- the Group has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients; or
- the rights to receive cash flows from the asset have expired.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(r) Financial liabilities and equity instruments

(i) Classification

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL, other financial liabilities are measured at amortised cost at the end of subsequent accounting periods.

(ii) Measurement

Equity instruments

Equity instruments issued by the Group are recognised at the proceeds received. Transaction cost of equity transactions shall be accounted for as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs, if any.

The Group's financial liabilities include borrowings, trade and other derivative financial instruments. Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the Group classifies its financial liabilities:

- **Fair value through profit or loss (FVTPL):** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.
- **Amortised cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability.

(s) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(u) Fair value of financial instruments

The Group measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS 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.

(w) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

(x) Cash Flow Statement

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Group are segregated.

(y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker as defined under IndAS 108. Refer notes to the Financial Statements for segment information presented.

Note 3. Critical accounting judgements and key sources of estimation uncertainty:

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ii) Employee benefit plans

The cost of the defined benefit plans and other long term employee benefits and the present value of the obligation thereon are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds. Future salary increases are based on expected future inflation rates and expected salary trends in the industry. Attrition rates are considered based on past observable data on employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes.

(iii) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(iv) Useful life and residual value of plant, property equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset.

(v) Income Taxes

Management judgment is required for the calculation of provision for Income Taxes and deferred tax assets and liabilities. The Group reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements

(vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making assumption and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward estimate at the end of each reporting period.

(vii) Impairment of non-financial assets

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 4. Property, Plant and Equipment:

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2019	Additions during the year	Sale / Adjustments*	As at March 31, 2020	As at April 1, 2019	For the year	Sale / Adjustments	As at March 31, 2020	As at March 31, 2020	As at April 1, 2019
Freehold Land	13,468.20	1,800.69	(401.78)	15,670.67	-	-	-	-	15,670.67	13,468.20
Buildings	78,589.08	16,495.45	(5,742.90)	1,00,827.43	24,249.65	3,676.22	(1,365.72)	29,291.59	71,535.84	54,339.43
Plant & Machinery	3,30,936.58	45,385.69	(19,197.93)	3,95,520.20	1,77,923.92	20,515.12	(7,865.67)	2,06,304.71	1,89,215.49	1,53,012.66
Electrical Installations	2,165.85	64.04	-	2,229.89	1,937.29	68.60	-	2,005.89	224.00	228.56
Furniture & Fixtures	2,139.90	1,988.18	1,642.70	2,485.38	1,604.44	81.21	(41.10)	1,726.75	758.63	535.46
Office Equipment	5,309.14	160.12	(1,672.16)	7,141.42	3,671.17	723.20	42.94	4,351.43	2,789.99	1,637.97
Vehicles	1,578.16	447.01	134.26	1,890.91	1,001.80	158.76	133.51	1,027.05	863.86	576.36
Right-to-use	-	1,071.74	-	1,071.74	-	76.28	-	76.28	995.46	-
Total	**4,34,186.91**	**67,412.92**	**(25,237.81)**	**5,26,837.64**	**2,10,388.27**	**25,299.39**	**(9,096.04)**	**2,44,783.70**	**2,82,053.94**	**2,23,798.64**

Note:

*Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of ₹ 25,048.70 Lacs (Previous Year gain of ₹ 9,512.53 Lacs).

Refer Note 24 and 28 for security clause.

(₹ in Lacs)

Particulars	Gross Carrying Amount				Depreciation & Amortisation				Net Carrying Amount	
	As at April 1, 2018	Additions during the year	Sale / Adjustments*	As at April 1, 2019	As at April 1, 2018	For the year	Sale / Adjustments	As at April 1, 2019	As at April 1, 2019	As at April 1, 2018
Freehold Land	11,307.52	1,845.64	(315.04)	13,468.20	-	-	-	-	13,468.20	11,307.52
Buildings	74,577.21	1,700.12	(2,311.75)	78,589.08	20,663.09	2,923.44	(663.12)	24,249.65	54,339.43	53,914.12
Plant & Machinery	3,13,298.35	11,734.25	(5,903.98)	3,30,936.58	1,59,285.01	17,253.06	(1,385.85)	1,77,923.92	1,53,012.66	1,54,013.34
Electrical Installations	2,108.87	56.98	-	2,165.85	1,867.21	70.08	-	1,937.29	228.56	241.66
Furniture & Fixtures	2,016.83	913.03	789.96	2,139.90	1,503.92	70.07	(30.45)	1,604.44	535.46	512.91
Office Equipment	4,257.93	142.75	(908.46)	5,309.14	3,140.01	452.34	(78.82)	3,671.17	1,637.97	1,117.92
Vehicles	1,398.81	455.60	276.25	1,578.16	1,130.36	99.83	228.39	1,001.80	576.36	268.45
TOTAL	**4,08,965.52**	**16,848.37**	**(8,373.02)**	**4,34,186.91**	**1,87,589.60**	**20,868.82**	**(1,929.85)**	**2,10,388.27**	**2,23,798.64**	**2,21,375.92**

Note:

* Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of ₹ 9,512.53 Lacs (Previous Year gain of ₹ 25,935.98 Lacs).

Refer Note 24 and 28 for security clause.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 5. Capital Work in Progress:

(₹ in Lacs)

Particulars	As at April 1, 2019	Additions	Amount transferred from CWIP Adjustment*	As at March 31, 2020
Capital Work in Progress	18,143.44	11,858.84	27,023.37	2,978.91
Total	**18,143.44**	**11,858.84**	**27,023.37**	**2,978.91**

Note:

*Amount transfered from CWIP /Adjustment includes adjustment of foreign exchange translation gain of ₹ 237.18 Lacs (Previous Year loss of ₹ 175.96 Lacs).

(₹ in Lacs)

Particulars	As at April 1, 2018	Additions	Amount transferred from CWIP Adjustment*	As at March 31, 2019
Capital Work in Progress	809.19	28,174.09	10,839.84	18,143.44
Total	**809.19**	**28,174.09**	**10,839.84**	**18,143.44**

Note:

*Amount transferred from CWIP /Adjustment includes adjustment of foreign exchange translation loss of ₹ 175.96 Lacs (Previous Year gain of ₹ 58.47 Lacs).

Note 6. Investment Property:

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions during the year	Sale / adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Sale / adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Building	434.41	-	-	434.41	130.52	6.77	-	137.29	297.12	303.89
Total	**434.41**	**-**	**-**	**434.41**	**130.52**	**6.77**	**-**	**137.29**	**297.12**	**303.89**

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions during the year	Sale / adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Sale / adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Building	434.41	-	-	434.41	123.74	6.78	-	130.52	303.89	310.67
Total	**434.41**	**-**	**-**	**434.41**	**123.74**	**6.78**	**-**	**130.52**	**303.89**	**310.67**

Notes:

1. Investment Property consist of building located in State of Uttar Pradesh.

2. Amount recognised in Consolidated Statement of Profit & Loss.

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rental Income	227.05	275.14
Direct operating expenses from property that generated rental income	157.55	163.11
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**69.50**	**112.03**
Depreciation	6.77	6.78
Profit from investment properties	**62.73**	**105.25**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 6. Investment Property: (Contd..)

3. Restrictions on realisability and contractual obligations

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

4. Fair Value

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Investment Property	933.80	933.80

5. Estimation of fair value

The valuation of the building situated at Noida has been carried by a registered approved valuer, conversant with and having knowledge of real estate activities in the concerned area, based on prevalent rates and other observable market inputs (Level 2 fair value).

Note 7. Intangible Assets:

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				Amortisation				NET CARRYING AMOUNT	
	As at April 1, 2019	Additions during the year	Sale / adjustments*	As at March 31, 2020	As at April 1, 2019	For the year	Sale / adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	593.77	4.99	(33.40)	632.16	543.80	26.93	(31.24)	601.97	30.19	49.97
Total	**593.77**	**4.99**	**(33.40)**	**632.16**	**543.80**	**26.93**	**(31.24)**	**601.97**	**30.19**	**49.97**

Note:

*Sale/Adjustment includes adjustment of foreign exchange translation gain of ₹ 33.40 Lacs (Previous Year gain of ₹ 15.94 Lacs).

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				Amortisation				NET CARRYING AMOUNT	
	As at April 1, 2018	Additions during the year	Sale / adjustments*	As at March 31, 2019	As at April 1, 2018	For the year	Sale / adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	577.83	-	(15.94)	593.77	506.98	34.79	(2.03)	543.80	49.97	70.85
Total	**577.83**	**-**	**(15.94)**	**593.77**	**506.98**	**34.79**	**(2.03)**	**543.80**	**49.97**	**70.85**

Note:

*Sale/Adjustment includes adjustment of foreign exchange translation gain of ₹ 15.94 Lacs (Previous Year gain of ₹ 40.05 Lacs).

Note 7A. Depreciation and Amortisation Expenses:

(₹ in Lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant & Equipment (Refer note: 4)	25,299.39	20,868.82
Amortisation of Intangible Assets (Refer note: 7)	26.93	34.79
Depreciation on Investment Property (Refer note: 6)	6.77	6.78
Total	**25,333.09**	**20,910.39**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 8. Non-Current Investments:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments Carried at Fair Value through OCI		
Investment in Bonds (Refer note 45)	16,065.32	11,227.95
TOTAL	**16,065.32**	**11,227.95**
- Aggregate amount of quoted Investments and market value thereof	16,065.32	11,227.95

Note 9. Non-Current Loans:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Security Deposits (Refer note 45)	1,272.55	1,163.69
TOTAL	**1,272.55**	**1,163.69**
Break up of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	1,272.55	1,163.69
Loans which have significant increase in Credit Risk	-	-
Loans Credit Impaired	-	-
	1,272.55	**1,163.69**

Note 10. Other Non-Current Financial Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 20
(Unsecured, considered good unless otherwise stated)		
Fixed Deposit with Banks (Refer note 45)	6,254.45	27,848.40
	6,254.45	**27,848.40**

Note 11. Deferred Tax Assets / Liability:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets		
Provision for long term employees benefits	268.26	262.48
Reversal of Others Expenses	342.20	100.66
MAT Credit Entitlement	-	1,776.82
Re-measurement of defined benefit obligations	92.09	-
Unused tax losses	1,613.63	3,446.18
Sub Total (a)	**2,316.18**	**5,586.14**
Deferred Tax Liability		
Property Plant & Equipment	12,494.74	214.13
Remeasurement of defined benefit obligations	-	8.11
Provision for long term employees benefits	(350.15)	-
Others	(8,155.79)	115.34
Sub Total (b)	**3,988.80**	**337.58**

(Refer note 60 for movement in Deferred Tax).

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

Note 12. Other Non-Current Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 20
(Unsecured, considered good unless otherwise stated)		
Capital Advances to Vendors	7,572.74	9,439.18
Export Benefit Receivables	22.28	12.73
Prepaid Expenses	-	357.76
TOTAL	**7,595.02**	**9,809.67**

Note 13. Inventories:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 20
Raw Materials	17,797.81	19,422.63
(including stock in transit of ₹ 410.56 Lacs, FY 2018-19:₹ 2,163.83 Lacs)		
Stock in Process	9,089.30	8,235.56
Finished Goods	28,353.05	28,461.51
(including stock in transit of ₹ 4,265.10 Lacs, FY 2018-19: ₹ 7,733.65 Lacs)		
Stores & Spares	12,541.04	10,289.37
TOTAL	**67,781.20**	**66,409.07**

Notes

(i) The cost of inventories recognised as an expense during the year ₹ 3,39,479.66 Lacs (FY 2018-19: ₹ 3,57,795.92 Lacs).

(ii) The cost of inventories recognised as an expense includes ₹ 367 Lacs, FY - 2018-19: ₹ 421.1 Lacs (reversal of write down) in respect of write downs of inventory to net realizable value. Previous write down is reversed as a result of increase in net realizable value.

(iii) The method of valuation of inventories has been stated in Note 2(l).

(iv) Refer Note 24 and Note 28 for security clause.

Note 14. Investment (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Carried at Fair value through Profit & Loss		
Investment in Mutual Fund (Refer note 45)	7,217.92	1,088.22
TOTAL	**7,217.92**	**1,088.22**
Note:		
- Aggregate of Unquoted Investments and market value thereof	7,217.92	1,088.22

Note 15. Trade Receivables:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables Unsecured	67,912.00	60,236.77
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables Credit Impaired	-	-
Less: Allowance for Doubtful Debts	(16.91)	(119.41)
TOTAL	**67,895.09**	**60,117.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 15. Trade Receivables: (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Break up Trade Receivables		
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - Un-secured	67,895.09	60,117.36
Trade Receivables Considered Doubtful	16.91	119.41
Less: Allowance for Doubtful Debts	(16.91)	(119.41)
	67,895.09	**60,117.36**

Refer Note 24 and 28 for security clause and note 45.

Note 16. Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Bank Balance with Schedule Banks		
Current Accounts	378.27	230.48
(b) Bank Balance with Non-Schedule Banks		
Current Accounts	26,919.51	11,258.47
Fixed Deposits with original maturity less than three months	17,016.14	21,828.51
(c) Cash and Cash Equivalents		
Cash on hand	74.86	52.60
TOTAL	**44,388.78**	**33,370.06**

Refer note 45.

Note 17. Bank Balances Other Than Above:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Earmarked Balance with Banks		
Unpaid Dividend Accounts	328.82	248.88
Fixed Deposits with original maturity more than one year	225.05	1,404.77
	553.87	1,653.65
Less: Fixed Deposit presented under Other Non Current Financial Assets (Note 10)	(225.05)	(1,404.77)
Sub Total (a)	**328.82**	**248.88**
(b) Other Bank Balances		
Fixed Deposits (Lien with Banks)	2.21	2.21
Fixed Deposits with original maturity more than three months less then 12 months	51,394.43	44,743.61
Sub Total (b)	**51,396.64**	**44,745.82**
TOTAL (a+b)	**51,725.46**	**44,994.70**

Refer note 45.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 18. Loans (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Security Deposits	42.56	83.78
Loans to Related Party	950.00	1,450.00
TOTAL	**992.56**	**1,533.78**
Refer note 45		
Break up of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	992.56	1,533.78
Loans which have significant increase in Credit Risk	-	-
Loans Credit Impaired	-	-
	992.56	**1,533.78**

Note 19. Other Financial Assets (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Derivative Financial Instruments	364.01	706.24
Interest accrued on loans and deposits	2,287.83	2,414.13
Export Benefit Receivables	841.07	998.86
Other Receivables *	1,004.43	570.00
TOTAL	**4,497.34**	**4,689.23**

Refer note 45.

*Includes receivable from related party amounting to ₹ 90.35 lacs (previous year ₹ 13.15 lacs).

Note 20. Current Tax Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of Provision)	646.92	704.67
(Net of Provisions of ₹ 14,995.03 Lacs, FY - 2018-19: ₹ 8,791.96 Lacs)		
TOTAL	**646.92**	**704.67**

Note 21. Other Current Assets:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Advances to Vendors & others	4,107.04	5,209.72
Prepaid Expenses	980.27	584.85
Deposits with Government Authorities	7,102.91	4,136.16
TOTAL	**12,190.22**	**9,930.73**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 22. Equity Share Capital:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
3,40,00,000 (Previous Year - 3,40,00,000) Equity Shares of ₹10 each	3,400.00	3,400.00
Issued, Subscribed and Fully Paid-up		
3,19,84,600 (Previous Year - 3,19,84,600) Equity Shares of ₹10 each	3,198.46	3,198.46
Add: Forfeited shares (Amount originally paid up)	57.86	57.86
TOTAL	**3,256.32**	**3,256.32**

Reconciliation of Number of Shares

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Shares outstanding as at the beginning of the year	3,19,84,600	3,19,84,600
Additions during the year	-	-
Shares outstanding as at the end of the year	**3,19,84,600**	**3,19,84,600**

SHAREHOLDERS HOLDING MORE THAN 5 % SHARES

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Mahalaxmi Trading & Investment Co Limited	76,22,390	76,22,390
Secure Investments Limited	55,35,744	55,35,744
K2 Family Trust through its Trustee Vistra ITCL (India) Ltd (Trustee Old Name is IL & FS Trust Company Ltd)"	-	20,81,781
Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund	17,88,694	-

The Company has only one class of Equity Shares of par value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount and the remaining balance is distributed in proportion to the number of equity shares held by the Equity Shareholders.

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

Note 23. Other Equity:

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Share Warrants Forfeited			
Balance at beginning of the year		250.80	250.80
Addition during the year		-	-
Balance at end of the year	**Sub total (a)**	**250.80**	**250.80**
Share warrants forfeited account shall be utilized as per provisions of The Companies Act, 2013			
Capital Reserve			
Balance at beginning of the year		58.36	58.36
Addition during the year		-	-
Balance at end of the year	**Sub total (b)**	**58.36**	**58.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 23. Other Equity: (Contd..)

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Opening balance	13,886.37	13,886.37
Less : Bonus shares issued	-	-
Add : Addition during the year	-	-
Add : Updation on translation adjustment	-	-
Less : Minority Interest	-	-
Sub total (c)	**13,886.37**	**13,886.37**

Securities Premium is credited when shares are issued at premium. It is utilized in accordance with the provisions of The Companies Act 2013, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting cost etc and applicable law in foreign subsidiaries.

Particulars	As at March 31, 2020	As at March 31, 2019
Legal Reserve		
Opening Balance	1,802.78	1,802.78
Addition during the year	-	-
Updation on translation adjustment	-	-
Sub total (d)	**1,802.78**	**1,802.78**

Legal Reserve is set up by Polyplex (Thailand) Public Company Limited (Subsidiary Company) as per applicable Act / Law. Legal Reserve is not available for dividend distribution.

Particulars	As at March 31, 2020	As at March 31, 2019
General Reserve		
Opening balance	6,205.10	5,955.10
Transferred from Profit & Loss Account	250.00	250.00
Sub total (e)	**6,455.10**	**6,205.10**

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend, issue of bonus shares and fully / partly paid-up equity shares

Particulars	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Opening Balance	2,05,758.48	1,87,496.75
Add:		
Profit as per Profit & Loss Statement	28,204.49	33,003.07
Re-measurement of the net defined benefit Plans through OCI	(322.04)	(98.27)
Less:		
Transferred to General Reserve	250.00	250.00
Dividend Paid	16,631.99	14,393.07
Sub total (f)	**2,16,758.94**	**2,05,758.48**
Fair Value of Investment in Debt Instrument Through OCI		
Opening Balance	57.87	(230.95)
Fair value of Investment in Debt Instrument	(1,842.91)	288.82
Sub total (g)	**(1,785.04)**	**57.87**

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

Particulars	As at March 31, 2020	As at March 31, 2019
Foreign Exchange Translation Reserve		
Opening Balance	45,848.04	42,347.16
Addition / (deletion) during the year	16,394.14	3,500.88
Sub total (h)	**62,242.18**	**45,848.04**

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rupees) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

TOTAL (a+b+c+d+e+f+g+h)	**2,99,669.49**	**2,73,867.80**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 24. Borrowing (Non-Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Secured term Loans from Banks			
Rupee Term Loan		11,941.94	14,684.00
Foreign Currency Term Loan		38,190.27	22,014.49
	Sub Total (a)	**50,132.21**	**36,698.49**
Less: Current Portion			
Rupee Term Loan		3,611.11	2,976.97
Foreign Currency Term Loan		3,402.40	9,173.48
	Sub Total (b)	**7,013.51**	**12,150.45**
	TOTAL (a - b)	**43,118.70**	**24,548.04**

(a) Notes in respect of security clause, are disclosed in separate respective Financial Statements of the Company and its subsidiaries.

(b) Include Prepaid processing fees of ₹ 115.90 Lacs, (FY 2018-19: ₹ 121.73 Lacs).

(c) Refer note 45.

Note 25. Other Financial Liabilities (Non-Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Lease liability obligation		231.59	-
	TOTAL	**231.59**	**-**

Refer note 45.

Note 26. Provision (Non-Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Provision for Employees Benefits Obligations		1,628.32	1,165.60
	TOTAL	**1,628.32**	**1,165.60**

Refer note 47.

Note 27. Other Liabilities (Non-Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Deferred Government Grants		490.77	82.99
	TOTAL	**490.77**	**82.99**

(a) The Company has recognized grant in respect of duty paid on procurement of capital goods under EPCG scheme of Central Government which allows refund in the form of freely transferable duty credit scrips of the duty paid upon meeting of specific export obligations. The Company expects to meet its export obligations in future years. During the year, an amount of ₹ 126.53 Lacs (FY 2018-19: ₹ 233.21 Lacs) was released from deferred income to the Statement of Profit and Loss on fulfilment of export obligations.

(b) Capital and State Investment Subsidy Grants relating to property, plant and equipment relates to cash incentive received from Government for setting up industries in specified area. During the year, an amount of ₹ 6.67 Lacs (FY 2018-19: ₹ 6.67 Lacs) was released from deferred income to the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 28. Borrowing (Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Secured Loans:			
Loans from Banks repayable on Demand		3,922.79	15,594.95
Bank Cash Credit Account		48.41	1,099.38
	Sub Total (a)	**3,971.20**	**16,694.33**
Unsecured Loans:			
Loans from Banks repayable on Demand		21,696.63	25,180.80
	Sub Total (b)	**21,696.63**	**25,180.80**
	TOTAL	**25,667.83**	**41,875.13**

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

Refer note 45.

Note 29. Trade Payable:

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Total Outstanding due to			
Micro enterprises and Small enterprises (Refer note 54)		-	-
Creditors other than Micro enterprises and Small enterprises		23,993.99	23,530.07
	TOTAL	**23,993.99**	**23,530.07**

Refer note 45.

Note 30. Other Financial Liabilities (Current):

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Current Maturity of Long Term Debt		7,013.51	12,150.45
Interest accrued but not due		111.07	96.52
Unclaimed Dividend *		346.49	265.59
Other Security Deposits		598.28	631.63
Capital Creditors		1,651.05	368.30
Derivative Financial Instruments		2,053.09	303.01
Lease Liability Obligation		81.53	-
Other liabilities **		11,488.96	10,099.96
	TOTAL	**23,343.98**	**23,915.46**

Refer note 45 & 62.

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

** Includes expenses payable.

Note 31. Other Liabilities (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory liability	617.05	527.05
Contract Liability **	3,317.25	3,809.52
Deferred Government Grants *	86.67	86.67
	4,020.97	**4,423.24**

*Refer note 2.

**An amount of ₹ 3,710.98 Lacs had been recognised as income during the year that was included in the contract liability balance at begning of the period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 32. Provisions (Current):

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employees Benefits obligations	466.82	214.83
TOTAL	**466.82**	**214.83**

Refer note 47.

Note 33. Current Tax Liabilities:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Income Tax	606.24	55.78
TOTAL	**606.24**	**55.78**

Note 34. Revenue From Operation:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Detail of disaggregation of revenue from contract with customer based on nature of product		
(a) Sale of Products (including Excise Duty)		
Plastic Films	4,21,005.06	4,11,064.80
Resins	13,097.80	25,556.25
Others	12,384.72	17,926.77
Sub Total (a)	**4,46,487.58**	**4,54,547.82**
(b) Other Operating Revenues		
Export Incentive Received	2,222.67	2,441.43
Sub Total (b)	**2,222.67**	**2,441.43**
TOTAL (a+b)	**4,48,710.25**	**4,56,989.25**
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	4,54,840.48	4,62,312.35
Adjustments made to contract price on account of:		
a) Discounts and Rebates	(8,352.90)	(7,764.53)
b) Excise Duty on Sale of Goods	-	-
Revenue from contracts with customer as per the Consolidated Statement of Profit and Loss	**4,46,487.58**	**4,54,547.82**

Note 35. Other Income:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest Income on Financial Assets measured at amortized cost		
From Loan and Deposits	3,620.40	3,204.99
From Customer	69.36	103.79
Rental income from investment property	227.05	275.14
Net gain on sale of investments measured at FVTPL	142.79	41.49
Net gain on foreign currency transaction	-	10,404.17
MTM gain on derivative financial instruments measured at FVTPL	-	424.10
Net gain on sale of Property Plant & Equipment	25.76	-
Income from Government Grants	133.20	249.88

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 35. Other Income: (Contd..)

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Allowance of expected credit loss reversal	64.47	46.23
Dividend Income	-	-
Other Non Operating Income	1,857.36	1,603.90
TOTAL	**6,140.39**	**16,353.69**

Note 36. Cost of Materials Consumed:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Raw Material	2,26,199.33	2,57,924.08
Packing Material	16,172.94	14,893.26
TOTAL	**2,42,372.27**	**2,72,817.34**

Note 37. Changes in inventories of finished goods and work-in-progress:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
OPENING STOCK		
Finished Goods	28,461.51	21,695.16
Stock in Process - Chips / Others	8,235.56	7,990.19
	36,697.07	**29,685.35**
CLOSING STOCK		
Finished Goods	28,353.05	28,461.51
Stock in Process - Chips / Others	9,089.30	8,235.56
	37,442.35	**36,697.07**
Net Changes in Inventory	**(745.28)**	**(7,011.72)**

Note 38. Employees Benefits Expenses:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, Wages and Bonus	34,116.48	30,399.89
Contribution to Provident and other Funds (Refer note 47)	1,725.54	1,641.45
Staff Welfare Expenses	2,880.22	2,419.02
TOTAL	**38,722.24**	**34,460.36**

Note 39. Finance Cost:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest Expense on Financial Liabilities measured at Amortized Cost	1,722.98	2,725.65
Other Borrowing Costs	78.86	182.28
TOTAL	**1,801.84**	**2,907.93**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 40. Other Expenses:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Stores & Spares Consumed	10,111.96	8,814.02
Power & Fuel	26,505.42	24,464.34
Repairs and Maintenance:		
Building	676.41	450.17
Property Plant & Equipment	3,510.75	3,635.41
Others	311.38	236.84
Rent	1,223.68	982.23
Insurance	1,672.97	1,349.25
Rates & Taxes	503.78	463.10
Freight	17,973.55	17,060.81
Other Selling Expenses	2,499.34	3,538.97
Legal & Professional Expenses	1,359.99	1,241.69
Auditor's Remuneration (Refer Note 58)	297.46	255.74
Travelling & Conveyance	2,503.78	2,040.01
Directors' Commission	310.00	275.00
Directors' Sitting Fee	32.00	32.50
Bad Debts	31.95	0.84
Donation	30.46	8.50
Corporate Social Responsibility Expenditures (Refer Note 55)	121.56	88.42
Property Plant & Equipment Written off	12.77	0.41
Net loss on sale of Property Plant & Equipment	-	20.31
Net loss on foreign currency transaction	4,850.10	-
MTM loss on derivative financial instruments measured at FVTPL	1,975.84	-
Miscellaneous expenses	4,400.92	4,885.05
TOTAL	**80,916.07**	**69,843.61**

Note 41. Tax Expenses:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current Tax expense		
Current Year	9,446.43	7,491.90
Tax of earlier years provided / written back	(30.10)	1.13
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	5,220.07	(185.88)
TOTAL	**14,636.40**	**7,307.15**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 41. Tax Expenses: (Contd..)

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Reconciliation of effective tax rate		
Net Profit before taxes	64,018.48	65,672.44
Tax using the Company's domestic tax rate (34.608%)	22,155.52	22,727.92
Change in taxes on account of :		
Weighted deduction on Research and Development Expenditure	(282.03)	(207.07)
Effect of accounting of tax holiday period	-	(1,279.58)
Promotion Privileges	(5,667.57)	(7,025.37)
Tax on income that is taxable at special rate	(2,919.22)	(2,568.89)
Effect of expenses that are non-deductible	5,966.37	811.49
Tax loss brought forward	(4,539.09)	(2,212.03)
Tax of earlier years provided / written back	(30.10)	1.12
Differential tax rate of Subsidiaries	(47.48)	(2,940.44)
TOTAL	**14,636.40**	**7,307.15**
Effective Tax Rate as reported in Profit & Loss Account	**22.86%**	**11.13%**

Note 42. Other Comprehensive Income:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Items that will not be Reclassified to Profit or Loss:		
Re-measurement Gain / (Loss) on Defined Benefit Plans	(477.98)	(199.08)
Less: Income Tax related to Re-measurement Gain / (Loss) on Defined Benefit Plans	(109.61)	8.11
Items that will be Reclassified to Profit or Loss:		
Gain /(Loss) on change in Fair Value of Investment	(1,851.16)	55.78
Transfer of fair value adjustment reserve on financial assets at FVTOCI to Profit & loss	8.25	233.04
Foreign Currency Translation Reserve	24,531.12	1,115.44
TOTAL	**22,319.84**	**1,197.07**

Note 43. Events occurring after the Balance Sheet Date:

There are no events occurring after the Balance Sheet date for the financial year 2019-20 except as follow:

a. Final Dividend proposed by the Board of Directors of the Company as per Note No – 53.

b. Board of Directors of the Company at its meeting held on April 9, 2020, have approved the buyback of fully paid-up equity shares of face value of ₹ 10/- each of the Company at a price not exceeding ₹ 475/- per Equity Share (Maximum Buyback Price") and for an amount not exceeding ₹ 5,481.50 Lacs ("Maximum Buyback Size") from the open market through stock exchange mechanism in such manner as may be prescribed in the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

Note 44. Financial Risk Management, Objectives and Policies:

A. Financial Risk Framework:

The group is exposed to various financial risks arising from its operations and finance activities. The group is primarily exposed to market risk (i.e. interest rate and foreign currency risk) and to credit risk and liquidity risk. The respective entity management supervises financial risk arising from business operations and financing activities.

Financial risk management within the group is governed by policies and guidelines approved by the senior management and the Board of Directors of respective entity. These policies and guidelines cover interest rate risk, foreign currency risk, credit risk

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44. Financial Risk Management, Objectives and Policies: (Contd..)

and liquidity risk. Group policies and guidelines also cover areas such as cash management, investment of excess funds and the raising of short and long-term debt. Compliance with the policies and guidelines is managed by the management of the respective entity within the group. The objective of financial risk management is to contain, where deemed appropriate, exposures on net basis to the various types of financial risks mentioned above in order to limit any negative impact on the group's results and financial position.

In accordance with its financial risk policies, the group manages its market risk exposures by using specific type of financial instruments duly approved by the Board of Directors as and when deemed appropriate. It is the group's policy and practices neither to enter into derivative transactions for speculative purpose, nor for any purpose unrelated to the underlying business. Senior management and the Board of Directors of respective entity reviews and approves policies for managing each of the above risks.

a. Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Commodity Risk. The Group enters into the derivative contracts as approved by the respective entity Board to manage its exposure to interest rate risk and foreign currency risk.

i) Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The foreign currency risk exposure of the Group is mainly in U.S. Dollar (USD) and Euro (EUR). The Group's exposure to foreign currency changes for all other currencies is not material.

The Group uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognizance of the natural hedge, the Group takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Risk Exposure is presented as under:

(Amount in Lacs)

Currency	Financial Assets			
	As at March 31, 2020		As at March 31, 2019	
	Fx Amount	₹ Amount	Fx Amount	₹ Amount
USD	248.17	18,704.29	376.55	26,080.42
EURO	75.54	6,267.68	71.84	5,583.84
JPY	71.10	49.37	262.10	163.88
Others	189.49	256.60	129.56	255.08

(Amount in Lacs)

Currency	Financial Liabilities			
	As at March 31, 2020		As at March 31, 2019	
	Fx Amount	₹ Amount	Fx Amount	₹ Amount
USD	309.89	23,356.75	133.59	9,251.24
EURO	349.37	28,979.59	950.26	73,898.46
JPY	157.10	109.08	4.66	2.91
Others	23.40	263.00	0.02	1.41

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

Note 44. Financial Risk Management, Objectives and Policies: (Contd..)

The following Sensitivity Analysis demonstrates the sensitivity in the USD, EURO, JPY and others to the Indian Rupee with all other variables held constant.

(₹ in Lacs)

Particulars	Change in currency exchange rate	Effect on profit before tax FY 2019-20	Effect on profit before tax FY 2018-19
USD	5%	(232.62)	683.42
	-5%	232.62	(683.42)
Euro	5%	(1,135.60)	(3,388.25)
	-5%	1,135.60	3,388.25
JPY	5%	(2.99)	8.07
	-5%	2.99	(8.07)
Others	5%	(0.32)	12.75
	-5%	0.32	(12.75)

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of the reporting period. The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Derivative financial instruments

The Group uses foreign currency forward and Interest rate swap contracts to manage some of its transactions exposure.

Forward Contracts

The Group has foreign currency sale and purchase forward contracts to offset the risk of currency fluctuations. These contracts are for settlement of operational receivable and payable. The Details of outstanding contracts as follow:

POLYPLEX CORPORATION LIMITED (including Subsidiaries)

(Amount in Lacs)

Particulars	Contract Sell/Buy	Currency	Amount in (Fx in Lacs) As at March 31, 2020	Amount in (Fx in Lacs) As at March 31, 2019
Forward Contracts	Baht/USD	USD	28.50	47.70
Forward Contracts	USD/Baht	USD	379.00	432.00
Forward Contracts	Baht/Euro	Euro	39.00	9.80
Forward Contracts	Euro/Baht	Euro	14.40	27.60
Forward Contracts	JPY/Baht	Japenese Yen	90.70	365.50
Forward Contracts	Euro/TL	Turkish Lira	6.00	87.00
Forward Contracts	Euro/USD	USD	88.00	25.00
Forward Contracts	Euro/Bhat	Euro	3.00	2.50
Forward Contracts	Euro/IDR	Euro	-	16.50
Forward Contracts	USD/INR	USD	38.77	37.50
Forward Contracts	EUR/INR	EUR	5.81	17.50
Currency cum Interest rate swap	INR/Euro	Euro	150.79	185.74

ii) Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from working capital and long term borrowings. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further Group's investments are primarily in fixed deposits which carries fixed rate of interest and do not expose to interest rate risk.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44. Financial Risk Management, Objectives and Policies: (Contd..)

Exposure to Interest rate risk:

The Interest rate profile of the Group's interest bearing financial instruments as reported to management of Group is as follows:

(₹ in Lacs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
As at March 31, 2020			
INR	11,992.85	3,437.50	8,555.35
USD	16,664.61	13,648.77	3,015.84
Euro	27,069.78	25,408.59	1,661.19
Baht	20,188.70	-	20,188.70
Total	**75,915.94**	**42,494.86**	**33,421.09**
As at March 31, 2019			
INR	15,786.88	4,687.50	11,099.38
USD	25,043.25	22,560.44	2,482.81
Euro	13,461.56	9,964.51	3,497.05
Baht	24,403.66	-	24,403.66
Total	**78,695.35**	**37,212.45**	**41,482.90**

Sensitivity Analysis:

An increase / decrease of 50 basis points at the reporting date would have increased / decreased the Profit before Tax as shown below. This analysis assumes that all other variants remain constant.

(₹ in Lacs)

Particulars	Increase / Decrease in Basis Points	Effect on profit before tax	
		FY 2019-20	FY 2018-19
INR Borrowings	0.5%	(17.19)	(23.44)
	-0.5%	17.19	23.44
USD Borrowings	0.5%	(68.24)	(112.80)
	-0.5%	68.24	112.80
Euro Borrowings	0.5%	(127.04)	(49.82)
	-0.5%	127.04	49.82

iii) Commodity price risk:

The main raw materials which group procures are global commodities and their prices are to a great extent linked to the movement of crude prices directly or indirectly and any adverse fluctuation in the raw material cost can impact the Group's operating margins depending upon the ability of the Group to pass on the increase in costs to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Group is able to adjust the selling prices following any changes in the raw material and other operating costs.

b. Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

For credit risk exposures, Refer Note No. 8-10, and 14-19 of the Financial Statements.

i) Trade Receivable:

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The group has a well-defined and robust internal credit management system to monitor unsecured sales. A strong internal credit risk management policy has enabled the group to manage credit risk prudently even when credit risk were high. Credit guarantee insurance is also obtained wherever required.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44. Financial Risk Management, Objectives and Policies: (Contd..)

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. There is one customer accounted for 10% or more of revenue in the current years.

To manage trade receivables, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables. ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. A default on financial assets is when a counter party fails to make the payment within 365 days, when they fall due. This definition of default is determined by considering the business environment in which the entity operates and other macro-economic factors.

The Ageing of trade receivables and allowances for doubtful debts are given below:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Ageing of Gross carrying amount		
Not Due	58,229.59	54,171.31
Upto 6 Months	9,559.13	5,824.12
6 to 12 Months	95.91	20.00
Above 12 Months	27.37	221.34
Gross Carrying Amount	**67,912.00**	**60,236.77**
Allowance for Doubtful debts	16.91	119.41
Net Carrying Amount	**67,895.09**	**60,117.36**

Reconciliation of Loss allowance provision:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the Beginning	119.41	203.33
Impairment Loss Reversed	(31.95)	(8.58)
Additional Provision Created / (reversed)	(70.55)	(75.34)
Balance at the end	**16.91**	**119.41**

Financial assets are written off when there is no reasonable expectation of recovery. Whereas the loans and receivables are written off and subsequently recoveries are made, these are recognised as an income in the Financial Statements.

ii) Financial assets to which loss allowances measured using 12 months expected credit loss:

For financial assets (other than trade receivables) which are not measured fair value through Profit and Loss account, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The Group does not have any expected credit loss on financial assets which are measured on 12 month ECL and also has not observed any significant increase in credit risk since initial recognition of the financial assets.

Cash and Cash Equivalents, Deposit with Banks:

Credit risk on cash and cash equivalents and deposit with banks is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Derivatives (Forward Contracts):

Derivatives are entered with banks, counter parties which have low credit risk, based on external credit ratings of counter parties. For other financial assets the group monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the group adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44.Financial Risk Management, Objectives and Policies: (Contd..)

c. Liquidity risk:

Liquidity risk is the risk, where the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(₹ in Lacs)

Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
As at March 31, 2020					
Interest bearing borrowings (including current maturities)	75,915.94	27,818.44	4,862.90	43,234.60	75,915.94
Financial derivatives	2,053.09	2,053.09	-	-	2,053.09
Lease liability obligation	313.12	38.00	43.53	231.59	313.12
Other liabilities	14,195.85	14,195.85	-	-	14,195.85
Trade Payables	23,993.99	23,993.99	-	-	23,993.99
Total	**1,16,471.99**	**68,099.37**	**4,906.43**	**43,466.19**	**1,16,471.99**

(₹ in Lacs)

Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
As at March 31, 2019					
Interest bearing borrowings (including current maturities)	78,695.35	49,415.80	4,609.78	24,669.77	78,695.35
Financial derivatives	303.01	303.01	-	-	303.01
Other liabilities	11,462.00	11,462.00	-	-	11,462.00
Trade Payables	23,530.07	23,530.07	-	-	23,530.07
Total	**1,13,990.43**	**84,710.88**	**4,609.78**	**24,669.77**	**1,13,990.43**

B) Capital risk management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity share capital, share premium and all other equity reserves. Debt includes, interest bearing loans and borrowings.

The Group monitors capital using Debt-Equity Ratio, which is debt divided by Total Equity.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44. Financial Risk Management, Objectives and Policies: (Contd..)

The ratios at March 31, 2020 and March 31, 2019 were as follows:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	3,256.32	3,256.32
Other Equity	2,99,669.49	2,73,867.80
Total Equity (A)	**3,02,925.81**	**2,77,124.12**
Non-Current Borrowings	43,118.70	24,548.04
Current Borrowings	25,667.83	41,875.13
Current Maturities of Non-Current Borrowings	7,013.51	12,150.45
Gross Debt (B)	**75,800.04**	**78,573.62**
Gross Debt as Above	75,800.04	78,573.62
Less: Cash & Cash Equivalents	44,388.78	33,370.06
Less: Other balances with bank	51,725.46	44,994.70
Less: Fixed Deposit with Banks (Non-current)	6,254.45	27,848.40
Net Debt (C)	**(26,568.65)**	**(27,639.54)**
Net Debt to Equity (C / A)	**-9%**	**-10%**

Note 45. Financial Instruments; by category:

a. Financial Assets and Liabilities: by category

(₹ in Lacs)

	As at March 31, 2020			As at March 31, 2019		
	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
Financial Assets						
Investments	7,217.92	-	16,065.32	1,088.22	-	11,227.95
Loans	-	2,265.11	-	-	2,697.47	-
Trade receivables	-	67,895.09	-	-	60,117.36	-
Cash and Cash Equivalents	-	44,388.78	-	-	33,370.06	-
Bank Balances other than above	-	51,725.46	-	-	44,994.70	-
Other Financial Assets	364.01	10,387.78	-	706.24	30,832.53	-
Total	**7,581.93**	**1,76,662.22**	**16,065.32**	**1,794.46**	**1,72,012.12**	**11,227.95**
Financial Liabilites						
Borrowings	-	68,786.53	-	-	66,423.17	-
Trade payables	-	23,993.99	-	-	23,530.07	-
Other Financial liabilities	2,053.09	21,522.48	-	303.01	23,612.45	-
Total	**2,053.09**	**1,14,303.00**	**-**	**303.01**	**1,13,565.69**	**-**

b. Fair values of Financial Assets and Liabilities:

(₹ in Lacs)

	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2020			
Financial assets			
Investment	-	23,283.24	-
Derivatives -			
- Forward contracts & swap	-	364.01	-
Financial liabilities			
Derivatives -			
- Forward contracts & swap	-	2,053.09	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 45. Financial Instruments; by category: (Contd..)

(₹ in Lacs)

	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2019			
Financial assets	-	12,316.17	-
Investment			
Derivatives -	-	706.24	-
- Forward contracts & swap			
Financial liabilities			
Derivatives -	-	303.01	-
- Forward contracts & swap			

The Accounting Policy for fair value has been defined in Note 2(u) Financial Statements.

Valuation process and technique used to determine fair value:

(₹ in Lacs)

Particulars	Fair value hierarchy	Valuation technique	Inputs used
(A) Financial assets			
Investment			
- Investment in Bonds & Mutual Funds	Level 2	Market valuation techniques	On quoted price (unadjusted) in active market for identical assets.
Derivatives - not designated as hedging instruments			
- Forward contracts	Level 2	Market valuation techniques	Mark to market values determined by the Authorised Dealers Banks.
- Currency cum Interest rate swaps	Level 2	Market valuation techniques	Prevailing /forward interest rates in market, interest rates to discount future cash flow
(B) Financial liabilities			
Derivatives - not designated as hedging instruments			
- Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow
- Currency cum Interest rate swaps	Level 2	Market valuation techniques	Prevailing /forward interest rates in market, interest rates to discount future cash flow

c. Fair Value of Financial Instrument measured at amortized Cost:

The carrying amount of financial assets and financial liabilities measured at amortized cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Long-term variable-rate borrowings measured at amortized cost are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the group is considered to be insignificant in valuation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 46. Segment Information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors of the Group who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Group is engaged in the business of manufacturing & distribution of Plastic Films, hence there is one operating segment.

Entity wide disclosure as applicable to the Group is mention below:

(i) Information about geographical areas:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from External Customer		
With in India	86,276.95	90,542.38
Outside India	3,62,433.30	3,66,446.87
Total Revenue	**4,48,710.25**	**4,56,989.25**
Non Current Assets		
With in India	38,123.12	34,911.85
Outside India	2,54,858.13	2,17,215.75
Total Non Current Assets	**2,92,981.25**	**2,52,127.60**

(ii) Revenue from major customer: There is one customer having revenue amounting to 10% or more of Group's total revenue.

Note 47. Employee Benefits:

(A) POLYPLEX CORPORATION LIMITED (Standalone)

a. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit & Loss are as under:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Employer's Contribution to Provident Fund	379.54	316.71
Employer's Contribution to Superannuation Fund	71.03	86.71

b. National Pension Fund

Contribution to National Pension Fund (NPS) debited to Statement of Profit & Loss amounts to ₹ 75.69 Lacs (Previous Year: ₹ 30.03 Lacs).

c. Defined Benefit Obligations (Gratuity):

The employees' Gratuity Scheme is managed by Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the Projected Unit credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

d. Other Long Term Employee benefits:

Leave Encashment: The Company has provided for its Liability towards Leave encashment, based on the actuarial valuation.

The additional disclosure in terms of IND-AS 19 on "Employee Benefits" is as under:

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 47 .Employee Benefits: (Contd..)

e. The disclosures required under IND-AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

(₹ in Lacs)

Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2020		As at March 31, 2019	
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:				
Defined Benefit Obligation at beginning of the year	1,413.78	358.08	1,080.89	255.80
Current Service Cost	151.42	73.17	336.58	73.96
Interest Cost	96.14	24.35	62.42	14.77
Actuarial (Gain) / Loss	373.04	48.45	(3.24)	87.42
Benefit Paid	(107.23)	(55.28)	(62.87)	(73.87)
Defined Benefit Obligation at year end	**1,927.15**	**448.77**	**1,413.78**	**358.08**
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:				
Fair value of Plan Assets at beginning of the year	1,521.14	-	1,195.52	-
Expected return on Plan Assets	106.93	-	75.66	-
Actuarial Gain / (Loss)	7.15	-	19.96	-
Employer Contribution	210.00	-	230.00	-
Benefit Paid	(107.23)	-	-	-
Fair value of Plan Assets at year end	**1,737.99**	**-**	**1,521.14**	**-**
c) Reconciliation of Fair Value of Assets and Obligations:				
Fair Value of Plan Assets as at year end	1,737.99	-	1,521.14	-
Present Value of Obligation as at year end	1,927.15	448.77	1,413.78	358.08
Net Assets/ (Liability)	**(189.16)**	**(448.77)**	**107.36**	**(358.08)**
d) Expenses Recognized during the year:				
Current Service Cost	151.42	73.17	336.60	73.96
Interest Cost	96.14	24.35	62.42	14.77
Expected return on Plan Assets	(106.93)	NA	(75.68)	NA
Actuarial (Gain) /Loss	365.89	48.45	(23.20)	87.42
Expense Recognised in Statement of Profit & Loss	**506.52**	**145.97**	**300.14**	**176.15**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 47. Employee Benefits: (Contd..)

(₹ in Lacs)

Particulars	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2020		As at March 31, 2019	
e) Remeasurements recongised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	373.04	-	(3.24)	-
Actual return on Plan Assets less Interest on Plan Assets	(7.15)	-	(19.96)	-
Expenses Recognised in Other Comprehensive Income (OCI)	**365.89**	**-**	**(23.20)**	**-**
f) Senstivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(118.03)	(34.75)	(88.14)	(27.63)
1% decrease in discount rate	137.27	41.53	101.65	32.29
1% increase in salary escalation rate	134.28	40.63	100.34	31.87
1% decrease in salary escalation rate	(117.82)	(34.69)	(88.68)	(27.79)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	596.35	108.04	307.95	64.72
Between 1 to 5 years	473.15	90.48	672.04	88.03
Between 6 to 10 years	649.07	68.27	667.96	57.74
h) Investment Details :				
LIC Group Gratuity (Cash Accumulation) Policy	**100%**	**NA**	**100%**	**NA**
i) Actuarial assumption				
Mortality Table (L.I.C.)	**2006-08 IALM - Ultimate**		**2006-08 IALM - Ultimate**	
Discount Rate (per annum)	**6.80%**	**7.70%**	**7.70%**	**7.70%**
Expected Return on Plan Assets (per annum)	**7.70%**	**NA**	**7.70%**	**NA**
Withdrawl Rate	**1% - 3%**		**1% - 3%**	
Rate of Escalation in Salary (per annum)	**8.00%**		**8.00%**	
Retirement Age	**58**		**58**	

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 47. Employee Benefits: (Contd..)

f. Sick Leave:

The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2020 and March 31, 2019 - ₹ 169.62 Lacs, and ₹ 150.11 Lacs respectively. The Company had recognised ₹ 19.51 Lacs as an expense during the FY – 2019-20.

g. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow –

A. Salary Increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B. Investment Risk – If Plan is funded then the mismatch between assets and liabilities and actual return on assets being lower than the discount rate assumed at the last valuation date can impact the liability.

C. Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

D. Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(B) Disclosure with respect to Foreign Entity:

(₹ in Lacs)

Particulars	Employee Retirement Pension		Other employee benefits	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for long-term employee benefits at beginning of year	762.01	528.09	110.22	108.61
Included in Profit or Loss:				
Current service cost	143.47	61.46	19.77	18.92
Interest cost	35.07	22.58	3.16	2.75
Past Service Cost	59.69	-	-	-
Actuarial loss /(gains)	-	-	37.42	-
Actuarial (gain) loss arising from				
Demographic assumptions changes	3.37	-	-	-
Financial assumptions changes	116.17	222.29	-	-
Experience adjustments	(7.44)	-	-	-
Benefits paid during the year	(31.58)	(68.54)	(15.32)	(24.85)
Translation Adjustment	44.70	(3.88)	6.91	4.79
Provision for long-term employee benefits at end of year	**1,125.44**	**762.01**	**162.16**	**110.22**

Long term employee benefit expenses included in the profit & loss consist of the following:

(₹ in Lacs)

Particulars	Total Employee Pension	
	March 31, 2020	March 31, 2019
Current service cost	163.23	80.39
Interest cost	38.23	25.33
Past service cost	56.69	-
Actuarial loss / (gains)	37.42	-
Total expenses recognised in Profit & loss	**298.57**	**105.71**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 47. Employee Benefits: (Contd..)

The Company and its subsidiary expected to pay ₹ 616.75 lacs of long-term employee benefits during next year (2019 : ₹ 484.15 Lacs).

As at March 31, 2020, the weighted average duration of the liabilities for the long-term employee benefits was 15-22 year (2019: 14-18 years).

Significant actuarial assumptions are summarised below:

(₹ in Lacs)

Particulars	Total Employee Pension	
	March 31, 2020	March 31, 2019
Discount Rates	0.9% - 7.8% per annum	1.1% - 3.2% per annum
Salary increase rates	2.0% - 6.0% per annum	2.4% - 8.0% per annum
Turnover rates	3.8% - 20.0% per annum	3.8% - 20.0% per annum
Gold price	₹ 0.55 lacs per bhat weight	₹ 0.45 lacs per bhat weight

The results of sensitivity analysis for significant assumptions that affect the present value of the long term employee benefits obligation as at March 31, 2020, and March 31, 2019 are summarised below:

(₹ in Lacs)

Particulars	Employee Retirement Pension Increase 1% - 10%		Employee Retirement Pension Decrease 1% - 10%	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	(117.78)	(72.19)	122.61	82.63
Salary rate	133.61	133.08	(158.62)	(127.14)

(₹ in Lacs)

Particulars	Employee Retirement Pension Increase 10% - 20%		Employee Retirement Pension Decrease 10% - 20%	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Turnover rate	(65.35)	(39.69)	86.97	54.63
Gold price rate	-	-	-	-

(₹ in Lacs)

Particulars	Other employee benefits Increase 1%		Other employee benefits Decrease 1%	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate	(9.10)	(5.84)	9.98	6.52
Salary rate	-	-	-	-

(₹ in Lacs)

Particulars	Other employee benefits Increase 20%		Other employee benefits Decrease 20%	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Turnover rate	(22.27)	(19.13)	28.20	24.95
Gold price rate	32.43	21.85	(32.43)	(21.85)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 48. Related Party Transaction:

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

Key Management Personnel (KMP)

i) Mr. Sanjiv Saraf (Chairman)

ii) Mr. Pranay Kothari (Executive Director)

iii) Mr. Brij Kishore Soni (Independent Director)

iv) Mr. Jitender Balakrishnan (Independent Director)

v) Ms. Pooja Haldea (Independent Director)

vi) Mr. Ranjit Singh (Independent Director)

vii) Mr. Sanjiv Chadha (Non-Executive Director)

viii) Dr. Suresh Inderchand Surana (Independent Director)

ix) Mr. Ashok Kumar Gurnani (Company Secretary)

x) Mr. Manish Gupta (Chief Financial Officer)

ceased to be director on June 11, 2018, reappointed on July 10, 2019.

Relative of Key Management Personnel

i) Ms. Ritu Kothari

ii) Ms. Sakhi Saraf

iii) Ms. Gauri Gidwani (w.e.f March 26, 2020)

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

i) Beehive Systems Private Limited

ii) Manupatra Information Solutions Private Limited

iii) Dalhousie Villa Private Limited

iv) Bhilangana Hydro Power Limited

v) Kotla Hydro Power Private Limited

vi) Punjab Hydro Power Private Limited

vii) Abohar Power Generation Private Limited

viii) Kanchanjunga Power Company Private Limited

ix) Utkarsh Trading and Holdings Limited

x) Suresh Surana & Associates, LLP#

xi) RSM Astute Consulting Private Limited#

xii) Praxis Consulting & Information Services Private Limited

xiii) Rekhta Foundation

xiv) S. D. College Society (Lahore), New Delhi

ceased to be related party on June 11, 2018, reinitiated on July 10, 2019.

- **Nature of Transactions with Related Parties:**

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Purchase of Material / Services		
Relative of KMP	29.70	31.48
Enterprises over which KMP have significant influence	100.36	10.63
	130.06	**42.11**
Services Rendered		
Enterprises over which KMP have significant influence	173.71	106.71
	173.71	**106.71**
Reimbursement of expenses from		
Enterprises over which KMP have significant influence	129.30	96.49
	129.30	**96.49**
Interest Received		
Enterprises over which KMP have significant influence	167.45	145.00
	167.45	**145.00**
Donation Given		
Enterprises over which KMP have significant influence	100.00	27.26
	100.00	**27.26**
Salary Expenses		
Relative of KMP	50.78	27.26
	50.78	**27.26**
Key management personnel compensation		
Managerial Remuneration	754.76	552.86
Commission to Director	310.00	275.00
WDirector's Sitting Fees	32.00	32.50
	1,096.76	**860.36**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 48. Related Party Transaction: (Contd..)

Outstanding Balances

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables on account of sale of Goods / Services		
Enterprises over which KMP have significant influence	46.20	8.01
	46.20	**8.01**
Receivables on account of expenses recovered		
Enterprises over which KMP have significant influence	44.15	5.14
	44.15	**5.14**
Loan given to		
Enterprises over which KMP have significant influence	950.00	1,450.00
	950.00	**1,450.00**
Security Deposits Recoverable		
Relative of KMP	20.25	20.25
Enterprises over which KMP have significant influence	5.00	5.00
	25.25	**25.25**
Security Deposits Payable		
Enterprises over which KMP have significant influence	11.26	-
	11.26	**-**
Payables		
Key management personnel	460.00	395.00
Relative of KMP	0.81	-
Enterprises over which KMP have significant influence	22.14	-
	482.95	**395.00**

c. Terms & conditions of transactions with Related Parties

The sales to and purchases from related parties, including rendering / availing of service, are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2020 and March 31, 2019 other than that stated above.

Note 49. Contingent Liabilities not provided for and other commitments, in respect of:

a. Disputed matter under litigation:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Excise Duty, Customs Duty and Service Tax *	169.03	1012.04
Sales Tax and Entry Tax **	328.10	198.89
Income Tax	753.08	-
Others	37.65	33.62

*Amount deposited ₹ 1.47 Lacs (March 31, 2019: ₹ 353.86 Lacs).

**Amount deposited ₹ 68.18 Lacs (March 31, 2019: ₹ 55.55 Lacs).

b. Guarantees:

(₹ in Lacs)

Particulars		As at March 31, 2020	As at March 31, 2019
Guarantee given to/by the Bank and Others	Sanction amount	62,182.97	1,17,499.54
Others	Utilised amount	58,478.57	38,196.90

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 49. Contingent Liabilities not provided for and other commitments, in respect of: (Contd..)

c. Service Agreements

Polyplex (Thailand) Public Company Limited (including Subsidiaries)

As at March 31, 2020, the Company had commitments totaling ₹ 212.51 Lacs (Previous Year - ₹ 191.91 Lacs) under various service agreements. These agreements expire between April 2020 and March 2023.

Note 50. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 7,572.74 Lacs (Previous Year: ₹ 9,439.18 Lacs)) amounts to ₹ 23,244.68 Lacs (Previous Year: ₹ 18,162.21 Lacs).

Note 51. Research and Development:

The revenue expenditure of ₹ 538.06 Lacs (Previous Year: ₹ 454.62 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Note 52. Capital Work-in-Progress includes:

Capital work in progress includes equipment's not yet installed, construction / erection material, construction / erection work in progress, machinery at site and / or in transit and other pre-operative expenses pending allocation / capitalization. Pre-operative expenses pending allocation / capitalization of the Indian Company are:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Pre-operative expenses brought forward	9.91	63.06
Raw Material Consumed	3.61	10.09
Power & Fuel	-	2.53
Interest on Term Loan	30.00	-
Miscellaneous & Other Expenses	1.49	14.00
Total	**45.01**	**89.68**
Less : Scrap Sales	0.52	0.46
Less : Allocated and Capitalised during the year	9.55	79.31
Balance Pending Allocation Transfer to Balance Sheet	**34.94**	**9.91**

Note 53. Dividend Note:

Detail of dividend paid and proposed to be distributed:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Dividend Paid to Equity Shareholders	3,518.30	1,279.38
Corporate Dividend Tax	-	-
Dividend Proposed to Equity Shareholders	1,919.08	13,113.69
Corporate Dividend Tax	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 54. The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

The information regarding Micro, Small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group:

(₹ in Lacs)

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

Note 55. Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Gross amount required to be spent by the Company during the year	277.58	106.02
Amount spent during the year on		
Promoting Culture / Language	80.00	70.00
Promoting Education	41.56	18.42
Total	**121.56**	**88.42**

Note 56. Earnings per Share:

(₹ in Lacs)

Particulars	Unit in	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net Profit/Loss for the year	(₹ in Lacs)	28,204.49	33,003.07
Weighted Average number of Equity Shares considered as Denominator for calculation of Basic EPS	(Nos.)	3,19,84,600	3,19,84,600
Weighted Average number of Equity Shares considered as Denominator for calculation of Diluted EPS	(Nos.)	3,19,84,600	3,19,84,600
Basic EPS	(₹)	88.18	103.18
Diluted EPS	(₹)	88.18	103.18
Face Value per share	(₹)	10.00	10.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 57 A. As a Lessee:

a. Right of Use:

The Group has created following Right of Use Assets as under as per Para C8 (b) (i) of Ind AS-116 by applying Modified Retrospective Method as prescribed in Para C5 of the standard;

(₹ in Lacs)

Particulars	FY 2019-20
Additions during FY 2019-20	1,071.74
Depreciation charge	76.28
Carrying amount as at March 31, 2020	995.46
Cash Flow for Leases	72.10

b. Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

(₹ in Lacs)

Period	FY 2019-20
0-1 year	81.53
1-5 years	215.25
More than 5 years	16.34

c. Group has elected Para 6 of Ind AS-116 for short term leases & recognised lease expense of ₹ 148.97 Lacs associated with these lease.

d. Group has recognised Interest expenses of ₹ 8.02 Lacs on Lease Liabilities during the year.

e. Lease contracts entered by the Group majorly pertain for Land, office Building and equipment taken on lease to conduct its business in the ordinary course of business.

f. Group does not have any lease restrictions and commitment towards variable rent as per the contract. Also the Group does not have lease term extension options which are not reflected in the measurement of lease liabilities.

g. The weighted average incremental borrowing rate of 5% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

h. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS-116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

i. Group has elected not to apply the requirements in Para C8 to leases for which the lease term ends within 12 months of the date of initial application as per practical expedient available under Para C10 of this standard.

B. As a Lessor

a. Lease contracts entered by the Group majorly pertain to floors of building given on lease to companies for conducting their business.

b. Group has managed risk associated with the rights in leased assets given by incorporating covenants in agreement like indemnification of occurrence of losses due to action of lessees.

c. Maturity Analysis of Lease Payments to be received.

(₹ in Lacs)

Period	FY 2019-20
0-1 year	121.63
1-5 years	-
More than 5 years	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 58. Auditor's Remuneration:

(₹ in Lacs)

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Audit Fee	280.33	235.29
Tax Audit fee	4.00	3.00
Certification & Other fees	2.30	6.45
Out of Pocket Expenses	10.83	11.00
Total	**297.46**	**255.74**

Note 59. Exceptional Item during the current year represent, gain of ₹ 7,105.76 lacs due reversal of impairment loss on its manufacturing assets held by Polyplex USA LLC (PU) and loss of ₹ 164.67 lacs on account of Provision for Impairment on Investment in subsidiary Company (PTSL).

Note 60. Movement in Deferred Tax:

(₹ in Lacs)

Particular	As at April 1, 2019	Recognized in P&L	Recognized in OCI	Other Adjustment#	As at March 31, 2020
Deferred Tax Assets					
Provision for long term employees benefits	262.48	0.18	-	5.60	268.26
Reversal of Others Expenses	100.66	191.04	-	50.50	342.20
Remeasurement of defined benefit obligations	-	-	92.09	-	92.09
MAT Credit Entitlement	1,776.82	-	-	(1,776.82)	-
Unused tax losses	3,446.18	(2,001.93)	-	169.38	1,613.63
Sub Total (a)	**5,586.14**	**(1,810.71)**	**92.09**	**(1,551.34)**	**2,316.18**
Deferred Tax Liability					
Property Plant & Equipment	214.13	12,178.64	-	101.97	12,494.74
Remeasurement of defined benefit obligations	8.11	(8.11)	(17.52)	17.52	-
Provision for long term employees benefits	-	(347.17)	-	(2.98)	(350.15)
Others	115.34	(8,414.00)	-	142.87	(8,155.79)
Sub Total (b)	**337.58**	**3,409.36**	**(17.52)**	**259.38**	**3,988.80**
TOTAL (a - b)	**5,248.56**	**(5,220.07)**	**109.61**	**(1,810.72)**	**(1,672.62)**

(₹ in Lacs)

Particular	As at April 1, 2018	Recognized in P&L	Recognized in OCI	Other Adjustment#	As at March 31, 2019
Deferred Tax Assets					
Provision for long term employees benefits	202.28	48.10	-	12.10	262.48
Reversal of Others Expenses	248.30	(152.25)	-	4.61	100.66
MAT Credit Entitlement	1,481.25	295.57	-	-	1,776.82
Unused tax losses	3,297.32	(14.20)	-	163.06	3,446.18
Sub Total (a)	**5,229.15**	**177.22**	**-**	**179.77**	**5,586.14**
Deferred Tax (Liability)					
Property Plant & Equipment	256.96	(42.83)	-	-	214.13
Remeasurement of defined benefit obligations	13.11	(68.56)	8.11	55.45	8.11
Others	24.31	102.73	-	(11.70)	115.34
Sub Total (b)	**294.38**	**(8.66)**	**8.11**	**43.75**	**337.58**
TOTAL (a - b)	**4,934.77**	**185.88**	**(8.11)**	**136.02**	**5,248.56**

#Other Adjustment including FCIR.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 61. Non-Controlling Interest:

A. Proportion of equity interest held by non-controlling interests:

(₹ in Lacs)

Name of the Company	Principal Place of Business	Effective ownership as at March 31, 2020	Effective ownership as at March 31, 2019
Subsidiary of Polyplex Corporation Limited:			
Polyplex (Asia) Pte. Limited (PAPL)	Singapore	100.00%	100.00%
Polyplex (Thailand) Public Company Limited (PTL)	Thailand	51.00%	51.00%
Subsidiary of Polyplex (Asia) Pte. Limited (PAPL):			
PAR LLC (USA)	U.S.A	100.00%	100.00%
Subsidiary / Step down subsidiaries of Polyplex (Thailand) Public Company Limited (PTL):			
Polyplex (Singapore) Pte. Limited (PSPL)	Singapore	51.00%	51.00%
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)	Turkey	51.00%	51.00%
Polyplex Trading (Shenzhen) Co. Limited (PTSL)	China	51.00%	51.00%
Polyplex America Holdings Inc (PAH)	U.S.A	51.00%	51.00%
Polyplex USA LLC (PU)	U.S.A	51.00%	51.00%
EcoBlue Limited (EcoBlue)	Thailand	33.92%	33.92%
Polyplex Europe B.V. (PEBV)	Netherland	51.00%	51.00%
PT Polyplex Films Indonesia	Indonesia	51.00%	51.00%
Polyplex Paketleme Çozumleri Sanayi VE Ticaret Anonim Sirketi (PP)	Turkey	51.00%	51.00%

B. Summarised Statement of Profit and Loss for the year ended March 31, 2020:

(₹ in Lacs)

Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2020	March 31, 2019
Revenue	3,23,736.71	3,30,839.03
Profit for the Year	43,130.96	51,575.58
Total Comprehensive Income	59,642.45	46,485.06
Attributable to non-Controlling Interest	29,268.24	22,867.86
Dividends paid to non-Controlling Interest	7,045.58	6,570.48

C. Summarised Balance Sheet as at March 31, 2020 and March 31, 2019:

(₹ in Lacs)

Polyplex (Thailand) Public Company Ltd (CFS)	As at March 31, 2020	As at March 31, 2019
Non- Current Assets	2,55,199.95	2,20,902.65
Current Assets	1,47,046.26	1,24,163.43
Total Assets (A)	**4,02,246.22**	**3,45,066.08**
Non-Current Liability	37,839.54	13,713.24
Current Liability	65,925.15	78,152.43
Total Liabilities (B)	**1,03,764.69**	**91,865.67**
Net Assets (A+B)	**2,98,481.53**	**2,53,200.41**

D. Summarised Cash Flows

(₹ in Lacs)

Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2020	March 31, 2019
Net cash inflow from operating activities	65,584.16	51,001.24
Net cash inflow from investing activities	(37,802.16)	(32,274.91)
Net cash inflow from financing activities	(19,803.49)	(28,980.30)
Net increase /(decrease) in cash and cash equivalents	7,978.50	(10,253.98)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 62:

During the previous year on April 18, 2019 Security Exchange Commission of Thailand (SEC) issued a communication to the Company, two of its Key Managerial Persons, its subsidiary Company namely Polyplex (Asia) Pte. Limited in Singapore and certain officers of a Group Company in connection with alleged violation relating to trading in shares of its listed subsidiary Company in Thailand in the year 2016 and has levied civil penalty on the Group amounting to THB 51,103,066 equivalent to ₹ 1083.36 lacs.

The Company has informed the Stock Exchanges in India on April 18, 2019 of the aforesaid communication and has made provision for the same which is included in Other Current under the head Other Current financial Liabilities (refer note no 29).

Note 63:

Due to COVID-19 pandemic and the consequent lockdown announced by the Government of India, the operations of the Group had been temporary suspended in Khatima and Bazpur plants in Uttarakhand in India for few days in month of March & April, 2020. However, the operations of the Group in overseas subsidiaries were not impacted and continued to operate normally. The management has evaluated the possible impact of this pandemic on the business operations and the financial position of the Group and believes that there has been no significant impact on the financial position and results of the Group, as at and for the year ended March 31, 2020. Further, the Group has adequate liquidity available to honor all its liabilities and obligations, as and when due. The management will continue to monitor any material changes to its COVID19 impact assessment, resulting from future economic conditions and an uncertain environment.

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Form AOC-I

(Pursuant to first proviso to sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lacs)

S.No.	**1**		**2**		**3**		**4**	
Name of the Subsidiary	**Polyplex (Asia) Pte. Ltd.**		**Polyplex (Thailand) Public Company Ltd.**		**Polyplex (Singapore) Pte. Ltd.**		**Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S**	
Country of Incorporation	**Singapore**		**Thailand**		**Singapore**		**Turkey**	
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**	
Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries.	U S $ (in Lacs)	INR (in Lacs)	THB (in Lacs)	INR (in Lacs)	Euro (In Lacs)	INR (in Lacs)	Euro (In Lacs)	INR (in Lacs)
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	75.37		2.31		82.94		82.94	
Share Capital	11.30	851.65	9,000.00	20,789.29	91.45	7,584.94	40.36	3,347.49
Reserve & Surplus / (Deficit)	1,392.19	1,04,925.93	30,312.40	70,019.26	51.58	4,278.09	2,642.32	2,19,156.25
Total Assets	1,403.78	1,05,799.44	90,537.90	2,09,135.42	143.06	11,865.52	2,777.80	2,30,393.07
Total Liabilities	1,403.78	1,05,799.44	90,537.90	2,09,135.42	143.06	11,865.52	2,777.80	2,30,393.07
Investment (other than in subsidiaries)	153.98	11,605.09	-	-	-	-	-	-
Turnover/ Income	244.47	18,425.70	61396.17	1,41,820.32	0.01	0.83	1,200.59	99,577.95
Profit/ (Loss) Before Taxation	83.25	6,274.35	8,854.44	20,453.06	(0.53)	(43.96)	310.62	25,763.08
Provision for Taxation	7.09	534.36	745.47	1,721.98	0.00	-	6.18	512.57
Profit/ (Loss) After Taxation	76.16	5,739.99	8,108.97	18,731.08	(0.53)	(43.96)	304.44	25,250.51
Proposed Dividend	NIL		NIL		NIL		NIL	
% of shareholding (Directly and/or through other Subsidiary/ies)	100.00%		51.00%		51.00%		51.00%	

S.No.	**5**		**6**		**7**		**8**	
Name of the Subsidiary	**Polyplex Trading (Shenzhen) Company Ltd.**		**PAR LLC**		**Polyplex America Holdings Inc.**		**Polyplex USA LLC**	
Country of Incorporation	**China**		**USA**		**USA**		**USA**	
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**	
Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries.	RMB (in Lacs)	INR (in Lacs)	U S $ (in Lacs)	INR (in Lacs)	U S $ (in Lacs)	INR (in Lacs)	U S $ (in Lacs)	INR (in Lacs)
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	10.60		75.37		75.37		75.37	
Share Capital	27.31	289.47	22.00	1,658.09	466.16	35,133.33	462.09	34,826.58
Reserve & Surplus / (Deficit)	(22.11)	(234.35)	(2.00)	(150.74)	(10.52)	(792.87)	92.73	6,988.83
Total Assets	5.20	55.12	20.00	1,507.35	476.64	35,923.18	1,378.80	1,03,916.76
Total Liabilities	5.20	55.12	20.00	1,507.35	476.64	35,923.18	1,378.80	1,03,916.76
Investment (other than in subsidiaries)	-	-	-	-	-	-	-	-
Turnover/ Income	0.01	0.11	1.03	77.63	-	-	1,725.46	1,30,043.67
Profit/ (Loss) Before Taxation	(3.11)	(32.96)	(0.18)	(13.57)	-	-	237.58	17,905.82
Provision for Taxation	-	-	0.03	2.26	-	-	49.14	3,703.56
Profit/ (Loss) After Taxation	(3.11)	(32.96)	(0.21)	(15.83)	-	-	188.44	14,202.26
Proposed Dividend	NIL		NIL		NIL		NIL	
% of shareholding (Directly and/or through other Subsidiary/ies)	51.00%		100.00%		51.00%		51.00%	

S.No.	**9**		**10**		**11**		**12**	
Name of the Subsidiary	**EcoBlue Limited**		**PT Polyplex Films Indonesia (PT PFI)**		**Polyplex Europe B.V. (PEBV)**		**Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP)**	
Country of Incorporation	**Thailand**		**Indonesia**		**Netherland**		**Turkey**	
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**		**Apr' 2019 - Mar' 2020**	
Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries.	THB (in Lacs)	INR (in Lacs)	IDR (in Lacs)	INR (in Lacs)	Euro (In Lacs)	INR (in Lacs)	TRY (in Lacs)	INR (in Lacs)
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	2.31		0.0046		82.94		11.50	
Share Capital	106.50	246.01	33,75,000.00	15,469.18	2.00	165.88	1.00	11.50
Reserve & Surplus / (Deficit)	921.76	2,129.19	(19,32,543.16)	(8,857.74)	6.41	531.65	54.66	628.65
Total Assets	1,161.81	2,683.69	1,78,38,247.50	81,760.92	18.04	1,496.25	287.18	3,302.87
Total Liabilities	1,161.81	2,683.69	1,78,38,247.50	81,760.92	18.04	1,496.25	287.18	3,302.87
Investment (other than in subsidiaries)	-	-	-	-	-	-	-	-
Turnover/ Income	1487.67	3,436.40	29,86,560.82	13,688.79	38.97	3,232.20	904.23	10,399.59
Profit/ (Loss) Before Taxation	129.56	299.27	(19,46,863.19)	(8,923.37)	1.13	93.72	16.33	187.81
Provision for Taxation	18.61	42.99	9,590.77	43.96	0.23	19.08	3.59	41.29
Profit/ (Loss) After Taxation	110.95	256.29	(19,56,453.96)	(8,967.33)	0.90	74.65	12.74	146.52
Proposed Dividend	NIL		NIL		NIL		NIL	
% of shareholding (Directly and/or through other Subsidiary/ies)	33.92%		51.00%		51.00%		51.00%	

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited

For S S Kothari Mehta & Company
Chartered Accountants
(FRN: 000756N)

Pranay Kothari
Wholetime Director
DIN: 00004003

Place: New Delhi
Date: May 25, 2020

Brij Kishore Soni
Director
DIN: 00183432

Place: New Delhi
Date: May 25, 2020

Yogesh K Gupta
Partner
Membership No. 093214

Place: Faridabad
Date: May 25, 2020

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 25, 2020

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Place: New Delhi
Date: May 25, 2020

Notes

Disclaimer

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Polyplex Corporation Limited

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