

August 7, 2019

To

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
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Dear Sir,

Ref : REGULATION : 34 of SEBI (LODR) Regulations, 2015
Sub : Furnishing of Notice of Annual General Meeting and Annual Report for the year 2018-19

Please find enclosed herewith a copy of the Notice convening the 34th Annual General Meeting of the Company to be held on **Thursday, September 5, 2019 at 11.00 a.m.** at the Registered Office of the Company alongwith Annual Report for the year 2018-19.

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

Thanking you,

Yours faithfully,
For Polyplex Corporation Limited


Ashok Kumar Gurnani
Company Secretary

Email : akgurnani@polyplex.com

Encl : as above.

Polyplex Corporation Limited
(CIN: L25209UR1984PLC011596)

B-37, Sector-1, Noida - 201 301, Distt. Gautam Budh Nagar (U.P.) India
Board: +91.120.2443716-19, Fax: +91.120.2443723 & 24 Website : www.polyplex.com
Registered Office: Lohia Head Road, Khatima - 262308, Distt. Udham Singh Nagar, Uttarakhand, India

Notice

NOTICE is hereby given that the Thirty-fourth Annual General Meeting of the Members of Polyplex Corporation Limited will be held at the Registered Office of the Company as per following details:

Day : Thursday

Date : September 5, 2019

Time : 11.00 a.m.

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

to transact the following business:

Ordinary Business

- To receive, consider and adopt: (a) Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 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, 2019 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)**:
 - "RESOLVED THAT the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Auditors' and Directors' thereon, be and are hereby received, considered and adopted."
 - "RESOLVED THAT the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of Auditors' thereon, be and are hereby received, considered and adopted."
- To declare final dividend for the Financial Year 2018-19 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 ₹ 10.00 (Rupees Ten) 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, 2019."
- To appoint a Director in place of Mr. Sanjiv Saraf (DIN : 00003998) 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 Saraf (DIN : 00003998), 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

- 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 Schedule IV of the Companies Act, 2013 ('the Act') and any other applicable provisions of 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, Dr. Suresh Inderchand Surana (DIN: 00009757), who was appointed as an Additional Director of the Company with effect from July 10, 2019 under Section 161 of the Act by the Board of Directors of the Company and who qualifies for being appointed as an Independent Non-Executive Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, to hold office for the second term of five consecutive years upto July 9, 2024."
- 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, Ms. Pooja Haldea (DIN : 07123158), Independent Non-Executive Director of the Company, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for the second term of five consecutive years with effect from March 30, 2020 to March 29, 2025."

Polyplex Corporation Limited

(Corporate Identity Number: L25209UR1984PLC011596)

Corporate Office: B-37, Sector-1, NOIDA, Gautam Budh Nagar, Uttar Pradesh-201 301, India
Email: investorrelations@polyplex.com website : www.polyplex.com
Phone: +91.120.2443716-19, Fax : +91.120.2443723 & 24

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

6. 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 197, 198, 203 and Schedule V of the Companies Act, 2013 (‘the Act’) and other applicable provisions of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, to partially modify the Special Resolution passed at the Thirty-third Annual General Meeting of the Company held on September 29, 2018, approval of the Members of the Company be and is hereby accorded to 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:

- a) Salary : ₹ 13,93,000/- per month.
- b) Special Allowance : Nil
- c) Performance Incentive : Not exceeding ₹ 150.00 Lacs per annum as may be decided by the Board of Directors on the recommendations of Nomination and Remuneration Committee.
- d) Perquisites: In addition to above, Mr. Pranay Kothari shall be entitled to the following perquisites. (These perquisites shall be evaluated as per Income Tax Rules, 1962 (‘the Rules’), wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost).

PART A:

- i) House Rent Allowance or provision of rent free furnished residential accommodation (provided monthly rent for such accommodation shall not exceed amount of House Rent Allowance) : ₹ 3,00,000/- per month.**

- ii) Medical benefits for self and family:**

Reimbursement of expenses actually incurred for self and family not exceeding ₹ 2,40,000/- per annum, excluding cost of Group Medical Insurance Policy of the Company.

- iii) Leave:**

As per Rules of the Company with full pay and allowances. Earned Leave accumulated but not availed of during the tenure shall be encashable as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration, in the event of no profits or inadequate profits of the Company.

- iv) Leave/Holiday Travel:**

Not exceeding ₹ 5,00,000/- per annum for self and family in accordance with the Rules of the Company.

- v) Club Fees:**

Not exceeding ₹ 2,40,000/- per annum for fees of clubs subject to a maximum of two clubs.

- vi) Personal Accident Insurance:**

As per personal Group Accident Policy of the Company.

PART B:

- i) Company’s contribution towards Provident Fund:**

As per Rules of the Company.

- ii) Company’s contribution towards Superannuation Fund:**

As per Rules of the Company.

Provided that the contribution towards Superannuation Fund shall not exceed ₹ 1,50,000 per annum.

Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act/the Rules.

- iii) Company’s contribution towards National Pension Scheme (NPS):**

Company’s contribution shall not exceed 10% of Basic Salary towards National Pension-Scheme (NPS) as per Rules/Scheme of the Company.

- iv) Gratuity:**

One-half month’s salary for each completed year of service. The Gratuity will not be included in the computation of the ceiling on remuneration.

PART C:

- i) Company maintained Car:**

Company shall provide Company maintained car with driver for use for Company’s business, which will not be considered as perquisite.

- ii) Telephone/Communication facilities:**

Company shall provide Telephone/Communication facilities at residence for Company’s business, which will not be considered as perquisites.

- iii) Reimbursement of Expenses:**

Company shall reimburse actual expenses incurred for the purpose of the business of the Company.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any Financial Year of the Company during his tenure as Whole Time Director, the remuneration and the perquisites set out hereinabove be paid or granted to Mr. Pranay Kothari as minimum remuneration, subject to requisite approval(s).”

“RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxation by the Central Government in Schedule V to the Act or re-enactment thereof, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowances etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting.”

“RESOLVED FURTHER THAT the appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party giving to the other, six calendar months notice in writing or salary in lieu thereof.”

“RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorised to make application to the Central Government and/or any other authority for approval to payment of remuneration as per terms contained above to Mr. Pranay Kothari, Whole Time Director and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

7. 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 2019-20, 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).”

8. 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 2019-20, 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 10, 2019
Place : NOIDA

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

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

2. Proxies in order to be effective should be lodged with the Company at the Registered Office at least 48 hours before the commencement of the AGM.
3. Corporate Members intending to send their authorised representatives to attend the AGM and/or vote thereat are requested to send at the Registered Office of the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **August 29, 2019 to September 5, 2019** (both days inclusive).
6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names shall be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 (the Act), will be available for inspection by the Members at the Registered Office of the Company during the business hours except on holidays upto and including the date of AGM.
8. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the Registered Office of the Company and at the AGM.
9. The dividend declared at the meeting will be made payable on or after **September 5, 2019** to those Members, whose names are on the Register of Members as Beneficial Owners as at the end of business on **August 28, 2019** 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 in physical form lodged with the Company on or before **August 28, 2019**.

10. Pursuant to Section 124(5) of the Companies Act, 2013, amount of unpaid / unclaimed dividends upto Financial Year 2010-11 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.

Financial Year	Dividend	Dividend per share of the face value of ₹10/- each	Declared on
2011-12	40% Final	₹4.00	28.09.2012
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	₹10.00	29.09.2018
2018-19	100% Interim	₹10.00	14.11.2018
2018-19	310% Second Interim (Special)	₹31.00	17.05.2019

The Company has uploaded the details of unpaid/unclaimed dividends 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.

12. 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 2018-19, pursuant to Compliance of the said Rules, Company has transferred 1,17,779 Equity Shares to the IEPF. As on date, 2,11,463 Equity Shares are lying with IEPF Authority.

13. Members are requested to register their e-mail addresses with the Company/Registrar & Transfer Agent and Beneficial Owners of shares are requested to update their email addresses with their respective Depository Participants for receiving the Report

11. 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 dividends for the Financial Year 2011-12 onward, details whereof are given hereunder failing which all unclaimed dividends shall be transferred to the IEPF within the time prescribed under the law.

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. M/s Karvy Fintech 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.

14. 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.
15. 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.
16. 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 28, 2019 as "cut-off" date to record the entitlement of shareholders to cast their vote on the agenda items of the 34th Annual General Meeting (AGM). E-voting on the agenda items of the AGM will take place from September 2, 2019 to September 4, 2019. 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.

17. A route map and prominent land mark for easy location to the venue of AGM is given at the end of this Notice.

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

Item No. 4

The Board of Directors of the Company have appointed Dr. Suresh Inderchand Surana (DIN: 00009757), as an Additional Director of the Company with effect from July 10, 2019. In accordance with the provisions of Section 161 of Companies Act, 2013, Dr. Suresh Inderchand Surana holds office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as an Independent Director for a second term of five years.

Dr. Suresh Inderchand Surana has earlier served the office of Independent Director of the Company from April 1, 2014 to June 11, 2018 ("first term"). The Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013 signifying intention to propose Dr. Suresh Inderchand Surana as a candidate for the office of Independent Director of the Company. Dr. Suresh Inderchand Surana 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").

In the opinion of the Board of Directors of the Company, Dr. Suresh Inderchand Surana 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 appoint Dr. Suresh Inderchand Surana as an Independent Director on the Board of the Company for a second term of five consecutive years upto July 9, 2024.

Copy of the draft letter of appointment proposed to be issued to Dr. Suresh Inderchand Surana 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.

Dr. Suresh Inderchand Surana is interested in this resolution. Relatives of Dr. Suresh Inderchand Surana 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

Ms. Pooja Haldea is an Independent Non-Executive Director of the Company. She holds the office of Independent Director for a period of five consecutive years for a term upto March 29, 2020 ("first term"), as approved by the Members of the Company in their 30th Annual General Meeting held on 28th September, 2015. She is member of the Audit Committee and Stakeholders Relationship 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 Ms. Pooja Haldea as a candidate for the office of Independent Director of the Company. Ms. Pooja Haldea has confirmed that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has also received declaration from her that she 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 Ms. Pooja Haldea as an Independent Director for the second term of five consecutive years i.e. from March 30, 2020 to March 29, 2025 on the Board of the Company.

In the opinion of the Board of Directors of the Company, Ms. Pooja Haldea fulfills the conditions specified in the Act and the Rules made thereunder and she 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 her services as an Independent Director. Accordingly, it is proposed to re-appoint Ms. Pooja Haldea as an Independent Director on the Board of the Company for a second term of five consecutive years i.e. from March 30, 2020 to March 29, 2025. Copy of the draft letter of appointment proposed to be issued to Ms. Pooja Haldea setting out the terms and conditions of her 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 Ms. Pooja Haldea is as follows:

Reappointment of Ms. Pooja Haldea 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. She participates constructively and actively in the meetings of the Board / Committees of the Board in which she is a member.

Ms. Pooja Haldea is interested in this resolution. Relatives of Ms. Pooja Haldea 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

As the Members are aware, Mr. Pranay Kothari was re-appointed as Whole Time Director of the Company designated as Executive Director for a period of three years w.e.f. September 7, 2018 at the last Annual General Meeting held on September 29, 2018.

The Board of Directors of the Company on the recommendations of the Nomination & Remuneration Committee have approved restructuring of the remuneration payable to Mr. Pranay Kothari w.e.f. April 1, 2019 to September 6, 2021, to improve the retiral benefits with the introduction of the National Pension Scheme by the Company. The details of the comparative remuneration payable are given below:

Particulars	Existing ₹ (Per Month)	Proposed ₹ (Per Month)
Basic Salary	6,00,000	13,93,000
Special Allowance	7,00,000	Nil
House Rent Allowance/Provision of Rent Free furnished/ unfurnished accommodation	6,00,000	3,00,000
Contribution to Provident Fund	72,000	1,67,160
Contribution to Superannuation Fund	78,000	12,500
Contribution to National Pension Scheme	-	1,39,300
Total	20,50,000	20,11,960
In respect of following components of remuneration / perquisites (per annum) there is no change :		
Medical benefits for self and family		Not exceeding ₹ 2,40,000
Leave/ Holiday Travel		Not exceeding ₹ 5,00,000
Club Fee		Not exceeding ₹ 2,40,000
Performance Incentive		Not exceeding ₹ 1,50,00,000
Leave		As per Rules/Policy of the Company
Personnel Accident Insurance		As per Rules/Policy of the Company
Gratuity		As per Rules/Policy of the Company
Company maintained Car with driver for Company's business		Valuation as per Income Tax Rules
Telephone/ Communication Facilities		Not considered as perquisite

In accordance with Section 196, 197 read with Schedule V (as amended) and applicable rules under the Companies Act, 2013, the approval of the members is being sought for the said revision/ restructuring of remuneration payable to Mr. Pranay Kothari.

In the event of inadequacy or insufficiency of profits, it is proposed to make application to the Central Government for waiver of recovery of excess remuneration paid/ to be paid to Mr. Pranay Kothari for the aforesaid period.

Mr. Pranay Kothari is interested in this resolution. Relatives of Mr. Pranay Kothari 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 recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice for approval of the Members.

Item No. 7

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 2019-20.

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 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 2019-20 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 and Rules made thereunder 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. 7 of the accompanying Notice for approval of the Members.

Item No. 8

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 2019-20 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. 8 of the accompanying Notice for approval of the Members.

By Order of the Board
For Polyplex Corporation Limited

Sd/-
Ashok Kumar Gurnani

Date : July 10, 2019
Place : NOIDA

Company Secretary
FCS-2210

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 Saraf	Ms. Pooja Haldea	Dr. Suresh Inderchand Surana
Date of Birth	30-Dec-1958	29-Jul-1980	25-Sept-1962
Date of Appointment	18-Oct-1984	30-Mar-2015	10-July-2019
Qualification	B.Tech (IIT-KGP)	B.A. (Hons); PGDIBM (IIM-Bangalore)	SPA, LL.B, PhD
Expertise in specific functional areas	General Management	Market Analysis & Research	International Taxation, Tax Planning and Corporate Advisory Services N.A.
Directorship of other companies (excluding Foreign Companies and Section 8 Companies)	<ol style="list-style-type: none"> Bhilangana Hydro Power Limited Carter and Burgess (Asia) Limited [Under Process of Striking Off] Global Solar Energy (India) Limited Orbis Capital Limited SSIPL Retail Limited Kotla Hydro Power Private Limited Dalhousie Villa Private Limited Kotla Renewables Private Limited 	N.A.	

Particulars/ Names	Mr. Sanjiv Saraf	Ms. Pooja Haldea	Dr. Suresh Inderchand Surana
Chairmanship/ Membership of Committees of other Public Companies :	SSIPL Retail Limited Audit Committee - Chairman Nomination and Remuneration Committee - Chairman	N.A	N.A
Number of shares held in the company in his own name	3,25,138 Equity Shares of ₹ 10 each	N.A.	200 Equity Shares of ₹ 10 each
Number of Board Meetings attended during 2018-19	3 out of 6	6 out of 6	1 out of 1
Remuneration drawn during Financial Year 2018-19	Sitting fees ₹ 3.00 Lacs and Commission of ₹ 275 Lacs	Sitting fees ₹ 3.00 Lacs	Sitting fees ₹ 1.50 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	Not related to any other Director or KMP

Notes: Dr. Suresh Inderchand Surana resigned from the post of Independent Director with effect from June 11, 2018. He has been appointed as an Additional Director (Independent Director) with effect from July 10, 2019.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

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

I. In case of members receiving e-mail:

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

<u>User – ID</u>	<u>For Members holding shares in Demat Form:-</u> 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:- <ul style="list-style-type: none">• Event No. followed by Folio Number registered with the Company
Password	Your Unique password is mentioned on 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 Karvy Fintech 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.karvy.com" and casted your vote earlier for any company, then your exiting 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 wants to cast, 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 info@csrsm.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Polyplex_EVEN No. 4767".
- xii) Members can cast their vote online from September 2, 2019 (from 9.00 a.m. IST) to September 4, 2019 (upto 5.00 p.m. IST). The e-voting module shall be disabled by Karvy thereafter.

II. In case of members receiving the physical copy:

- i) User-ID and initial password are provided on the attendance slip.
- ii) Please follow steps as mentioned above.

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.karvy.com' or contact Ms. Varalakshmi of Karvy Fintech Private Limited, at 040-67161616 or at Tel. No. 1-800-3454-001 (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 August 28, 2019
- 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 28, 2019 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 Karvy’s Toll free number 1-800-3454-001
- iv) Member may send an e-mail request to evoting@karvy.com
- v) If the member is already registered with Karvy 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 e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- e) The Board of Directors have appointed Mr. Ravi Sharma, failing him Mr. Mahesh Rastogi, failing him Ms. Suman Pandey, Partners of M/s. R S M & Co., Company Secretaries, New Delhi as Scrutinizer, to scrutinize the physical voting and 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 3 (three) days 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 Karvy 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.

Polyplex Corporation Limited

CIN: L25209UR1984PLC011596

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

Corporate Office: B-37, Sector-1, NOIDA, Gautam Budh Nagar, Uttar Pradesh-201 301

Email: investorrelations@polyplex.com Website : www.polyplex.com

Phone: +91.120.2443716-19, Fax : +91.120.2443723 & 24

34th Annual General Meeting Thursday, September 5, 2019, at 11.00 a.m. Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1. Name(s) of Member(s) including joint holders, if any :
2. Registered address of the sole/first named Member :
3. E-mail ID :
4. DP ID No. & Client ID No./ Registered Folio No. :

I/We, being the Member(s), holding _____ Share of Polyplex Corporation Limited, hereby appoint

(1) Name _____ Address: _____

E-mail ID: _____ Signature: _____ or failing him/her

(2) Name _____ Address: _____

E-mail ID: _____ Signature: _____ or failing him/her

(3) Name _____ Address: _____

E-mail ID: _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 34th Annual General Meeting (AGM) of the Company to be held on **Thursday, September 5, 2019 at 11.00 a.m.** at the Registered Office of the Company at Lohia Head Road, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand and at any adjournment there of in respect of resolutions indicated below:

S.No	Resolutions Description
	Ordinary Business
1	Adoption of (a) Standalone Audited Financial Statements for the FY 2018-19 together with Reports of the Auditors' and Directors' thereon and (b) Consolidated Audited Financial Statements for the FY 2018-19 together with Reports of the Auditors' thereon.
2	Declaration of Final Dividend of ₹10 per equity share for the FY 2018-19.
3	Reappointment of Mr. Sanjiv Saraf (DIN : 00003998) as Director liable to retire by rotation.
	Special Business
4	Appointment of Dr. Suresh Inderchand Surana (DIN : 00009757) as Independent Director for second term upto July 9, 2024.
5	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.
6	Re-structuring of Remuneration to Mr. Pranay Kothari (DIN : 00004003), Whole-time Director of the Company for the period from April 1, 2019 to September 6, 2021.
7	Payment of commission upto 1% p.a. of the Net Profit of the Company to Mr. Sanjiv Saraf for the Financial Year 2019-20.
8	Approval and ratification of remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants (FRN : 000212) for the Financial Year 2019-20.

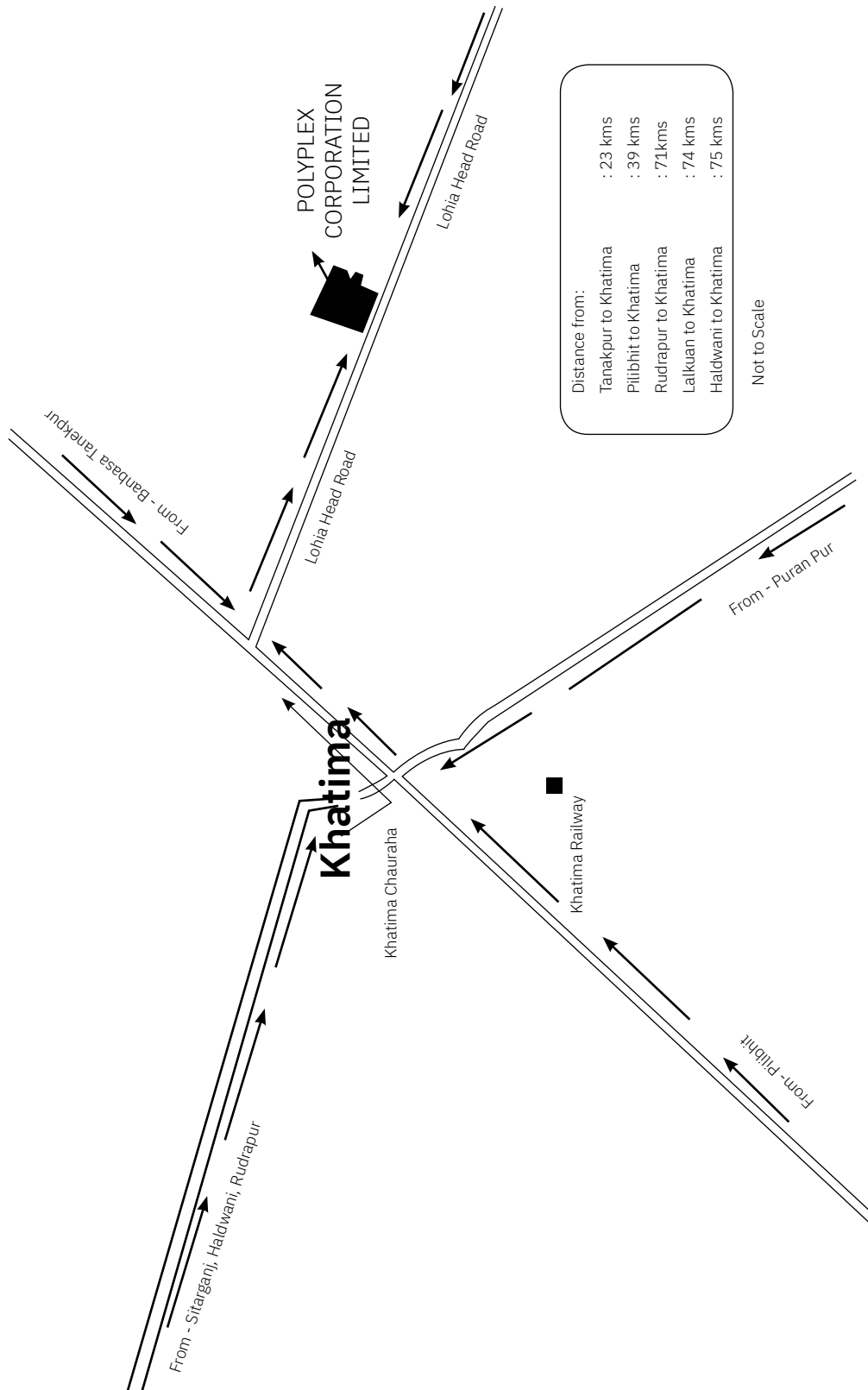
Affix
Revenue
Stamp

Signature of the Member(s) _____ Signature of Proxy holder(s) _____

Signed this _____ day of _____, 2019

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Thirty-fourth Annual General Meeting.
3. Please complete all the details including details of Member(s) in above box before submission.



Polyplex Corporation Limited

(Corporate Identity Number: L25209UR1984PLC011596)

Corporate Office: B-37, Sector-1, NOIDA, Gautam Budh Nagar, Uttar Pradesh-201 301, India

Email: investorrelations@polyplex.com website : www.polyplex.com

Phone: +91.120.2443716-19, Fax : +91.120.2443723 & 24

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

Phone: 05943-250136 Fax : 05943-250281

Expanding Horizons.

IN A SUSTAINABLE WAY



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

*upto 11.06.2018
Re-appointed w.e.f. 10.07.2019

Chief Financial Officer

Mr. Manish Gupta

Company Secretary

Mr. Ashok Kumar Gurnani

Registered office

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

Corporate office

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

Works

1. Lohia Head Road
Village Amau Khatima-262 308
Distt: Udham Singh Nagar,
Uttarakhand
2. Plot No 227 MI - 228 MI
Banna Khera Road Village
Vikrampur
Tehsil Bazpur-262 401
Distt: Udham Singh Nagar,
Uttarakhand

Auditors

S S Kothari Mehta & Co.,
Chartered Accountants

Bankers

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

Registrar and Share Transfer Agent (RTA)

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli
Financial District, Nanakramguda,
Hyderabad-500032
Tel: +91-40-6716 2222
Toll free no.: 1800-345-4001
Fax: +91-40-2300 1153
Website: www.karvy.com

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For more than three decades, Polyplex Corporation Limited focused on the interplay of three drivers.

Passion Discipline Long-term

The result has been the ability to outperform the Industry and enhance value for stakeholders. Going ahead, we believe that our commitment to these three drivers will enhance business sustainability.

**PET Film is a
versatile product
with wide and
growing range of
applications**







Polyplex India



Polyplex Thailand



Polyplex Turkey



Polyplex US

Know Polyplex

Polyplex Corporation Limited has sixth largest global capacity for polyester (PET) film

The Company has a unique model of on-shore, off-shore and near-shore business locations and has other strengths like customer relationship, access & intimacy and offers wide variety of specialty, innovative and value added products



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



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



- **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.

Expanding our Presence

Our expansion journey is driven by an inspired vision to create value for our stakeholders. With manufacturing facilities spread across six locations in five countries, we market our products to leading clients in India and the world.

5

Number of countries we are present with manufacturing facilities

2100

Number of employees



Countries we are present in

Thailand



Turkey



USA



India



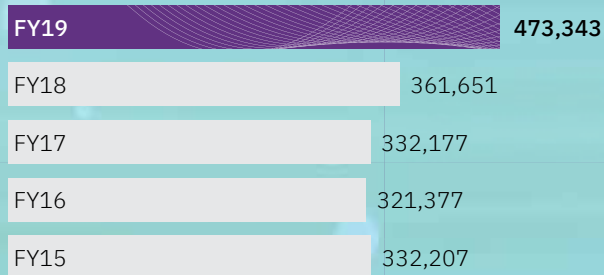
Indonesia



Steady Financial Performance (consolidated)

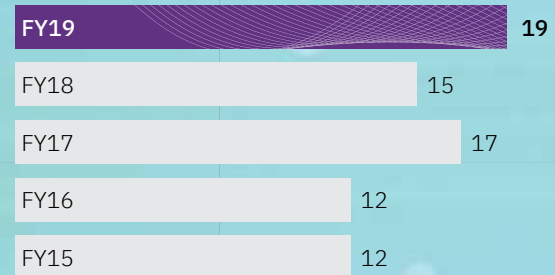
Revenue

(₹ in Lacs)



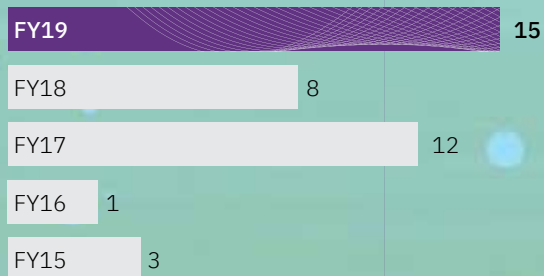
EBITDA Margin

(%)



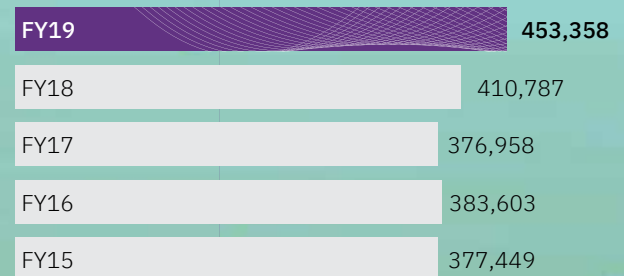
ROE

(%)



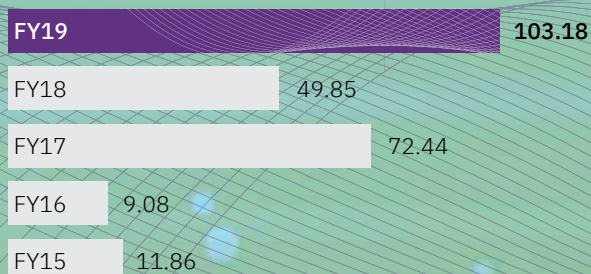
Gross Fixed Assets

(₹ in Lacs)



EPS

(₹)



Debt-Equity Ratio

(in times)



*Numbers for the FY 2016-17 have been regrouped in accordance with the requirements of Ind.AS

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



Sanjiv Saraf
Chairman

Pranay Kothari
Chief Executive Officer



Dear Valued Shareholders,

The year under review has witnessed a sustained improvement in profitability resulting from on-going initiatives on operational effectiveness, better capacity utilization, enhanced product portfolio and recovery in industry margins.

The reported sales and other income has increased by 31% at ₹ 47.33 billion due to higher sales volume and improved value additions. The operational EBITDA (profit before interest, tax, depreciation and exceptional items) was higher by 36% at ₹ 8 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 Indonesia greenfield project comprising of new PET film line with a capacity of 44 KTPA and an integrated resin and metallization capacity with an investment of USD 80 Million is slated to commence operations in Q2 FY 2019-20. This coupled with other smaller investments are aimed at improving our competitive edge by increasing share of specialty products and better productivity.

The recently approved BOPP line adjacent to the PET film line in Indonesia would help diversify the product offering and help mitigate challenges posed by concerns surrounding sustainability on our core business of PET films.

Improving industry margins have attracted more investments globally over the next two years. Our geographically diversified presence, an extensive product

offering, integrated operations and a strong & deep customer relationship should help the Company deliver better performance. Focus on increasing the proportion of High Value Added (HVA) products in the sales portfolio will help to de-risk earnings.

There are growing concerns, in general, on the use of single use plastics. Flexible packaging which is multi layered plastic constitutes less than 10% of total plastic consumption globally and PET film in particular is less than 2%. 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 continuously involved in developing sustainable products (RPET, bio based, biodegradable films etc.) and sustainable processes, as an endeavor to contribute continuously and effectively towards global initiatives around sustainability and circular economy. A step in this direction was setting up a recycling company in Thailand which converts post-industrial and post-consumer PET waste into PET resin which finds use in various industrial and packaging applications. Our R&D efforts remain directed towards developing solutions which conform to our commitment to reducing the impact of plastic waste on the environment.

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

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. Rakesh Kakkar
Sales & Marketing Head
- India



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. Amarnath J. Parida
Business Unit Head
BOPP, India



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



Mr. Ravindra K. Gupta
Plant Head, India

*Currently stationed in Indonesia

Thailand & Turkey



Mr. Amit Prakash
Profit Centre Head
Thailand & Turkey



Mr. S.K. Jha
Operations Head - Thailand



Mr. Chakrit Srisamutnak
HR Head - Thailand



Mr. Ashish K. Ghosh
Sales & Marketing Head
Thailand



Mr. Ramesh K. Gupta
Business Head - Saralam

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



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 tapes, labels, thermal lamination, imaging and graphics, photo-voltaic and optical applications. Within the substrates, Polyplex has sixth largest global capacity for polyester (PET) films. 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 (100+). 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 Blown PP lines in Thailand have helped expand the product line of the downstream silicone coating business. The Company also has non-tear polyester film in India designed especially for digital print media segments. Recently, the Company has introduced Transfer Metallized Paper which is commonly used for packaging of pharmaceutical, cosmetics, liquors, calendars, DVD inserts etc.

Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies less 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.

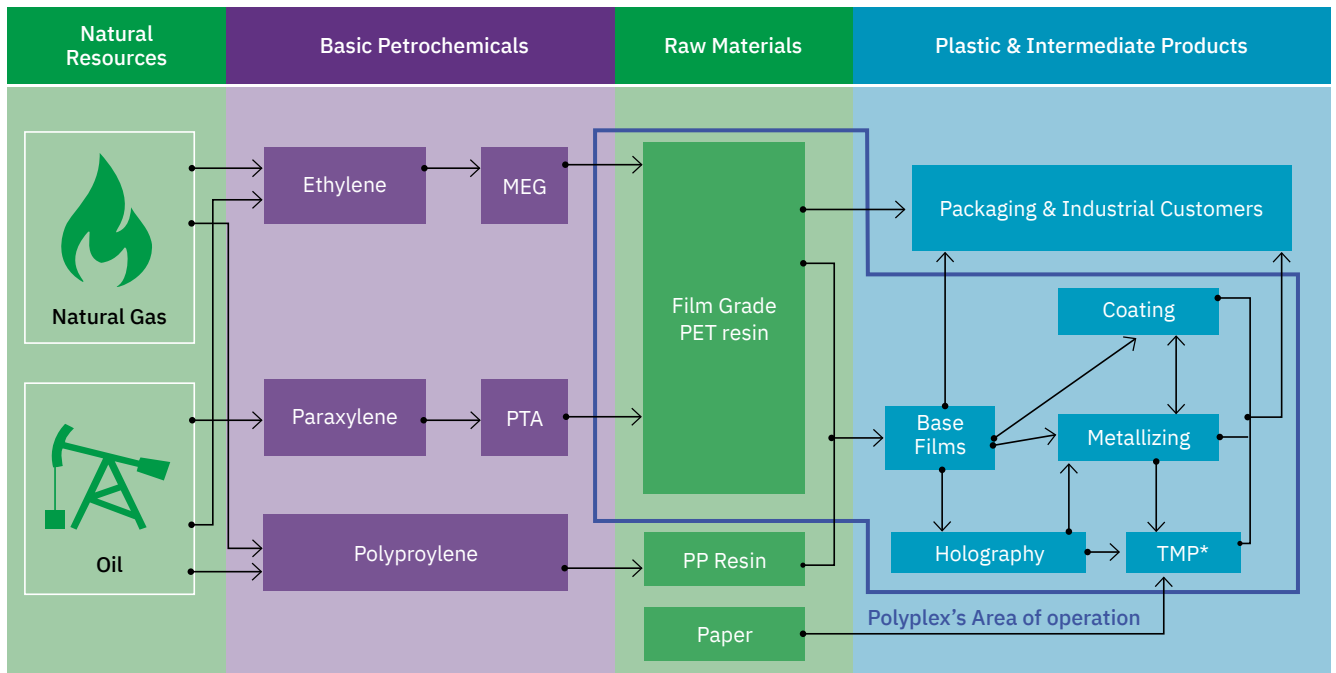
The Company believes that its unique model of on-shore, off-shore and near-shore business locations in combination with its other strengths like customer relationship, access & intimacy and wide offering of specialty, innovative and value added products shall continue to be the key enablers for outperformance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

There is an increasing concern by all stakeholders & environmental groups on usage of plastics in general but the focus is 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

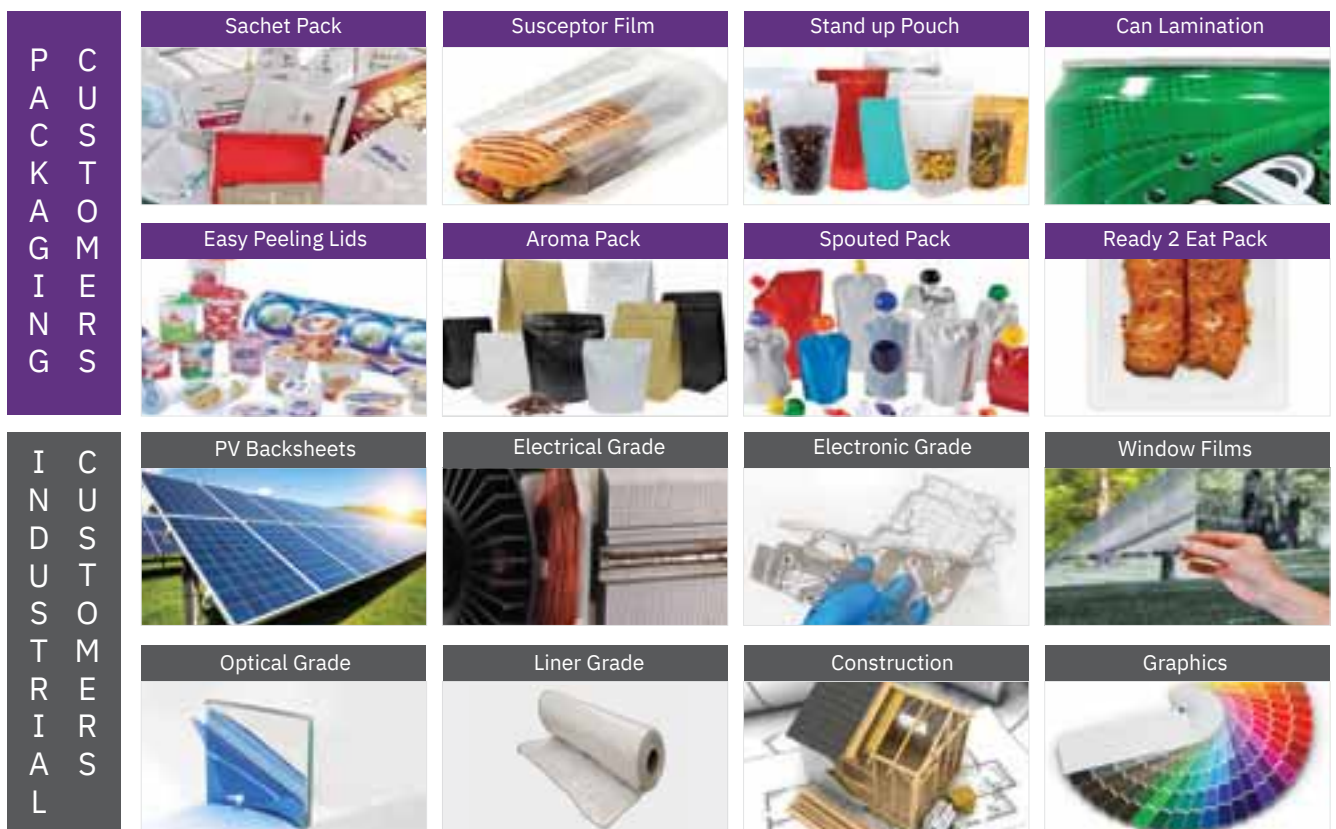
commitment towards sustainable environment. The Company's recycling unit in Thailand which provides sustainable solutions for film-based process waste was its first major step towards this direction.

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:



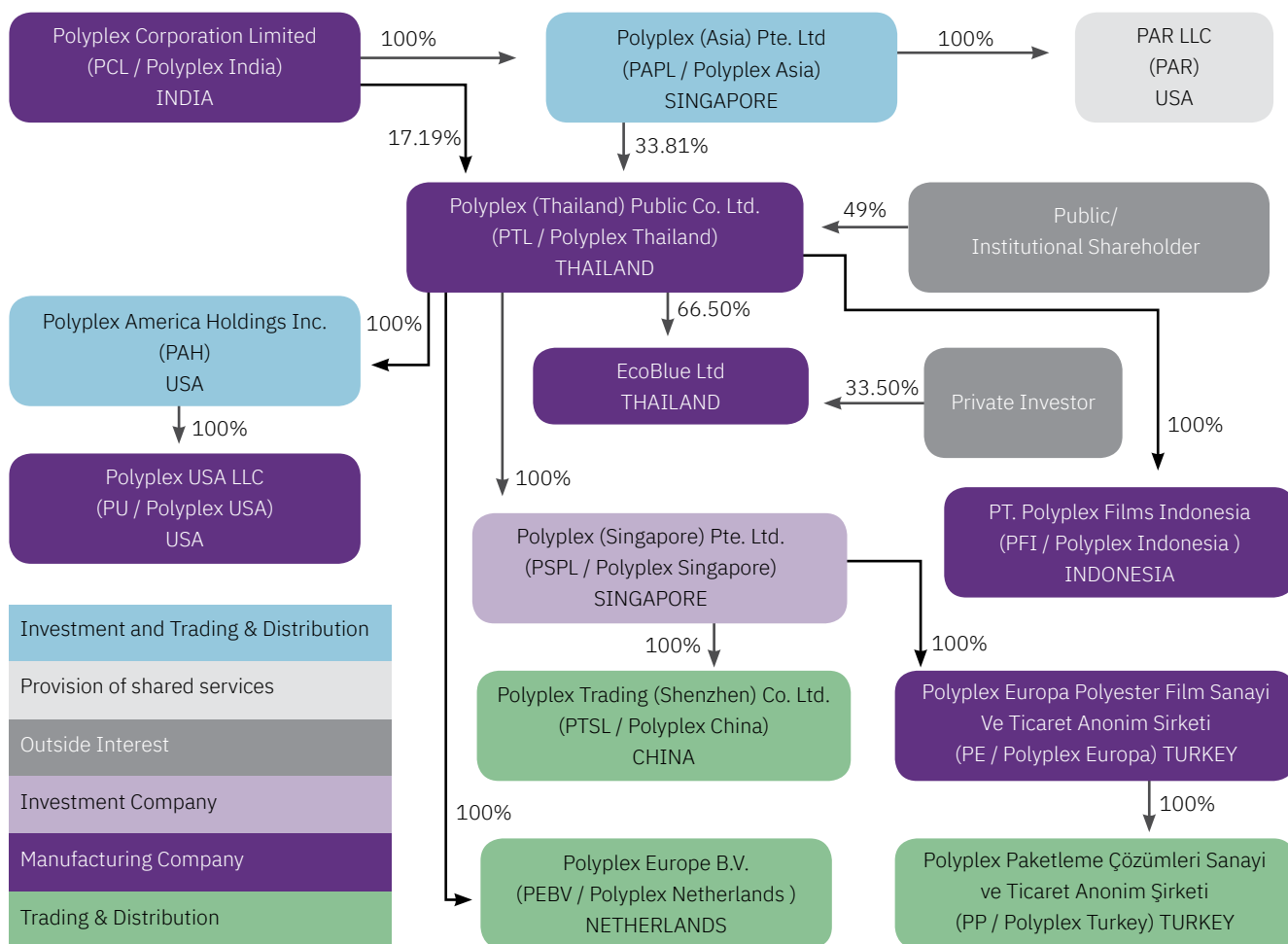
*TMP-Transfer Metallized Paper



Global operations

Polyplex has attained leadership 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 greenfield project in Indonesia is expected to commence commercial operations in Q2 FY 2019-20

The current Polyplex Group structure



Production Capacities

Manufacturing capacities of various locations:

Location	Base Films					Upstream PET Resin	Downstream			
	PET Thin	PET Thick	BOPP Film	CPP	Blown Film		Metallizer	Holographic Films	Coating	Transfer Metallized Paper
India	55,000		35,000			77,600	34,613	4,080	286	83
Thailand	42,000	28,800		10,000	8,845	80,500	21,700		985	
Turkey	58,000					75,850	17,700	480	140	
USA	31,000					57,600	9,500			
Indonesia	44,000		60,000			73,000	6,000			
Polyplex Group	230,000	28,800	95,000	10,000	8,845	364,550	89,513	4,560	1,411	83

Notes:

- 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.
- The above table includes the projects under implementation which include Batch Resin Plant and Holography line in Turkey, Offline Coater and additional Silicon Coater in Thailand, additional Metallizer and two Holography lines in India & the greenfield PET Film line alongwith Metallizer & Resin project in Indonesia.
- The above graph also includes the capacity of BOPP film line in Indonesia which was approved in June'19



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 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 and electrical constitute almost 100% of the total thin film demand.

Thin PET Film market

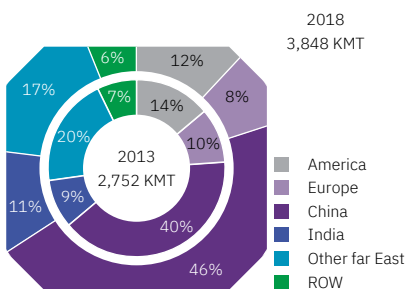
The largest application of thin PET films is flexible packaging, which accounts for 73% of the total thin film used. Flexible packaging plays a key role in source reduction based on the principle of ‘use less packaging material in the first place’. This has resulted in higher-than-GDP growth in the global 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. This packaging segment characteristic 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.

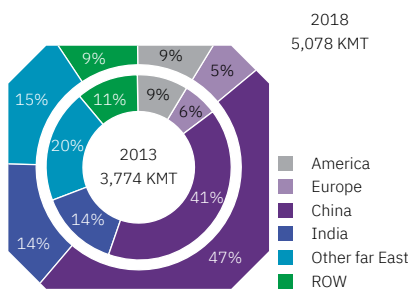
Asia is the largest market for thin PET films, accounting for around three-fourths of global consumption. Faster growing Asian demand is the main driving force in the global markets. Within Asia, India and China are the largest consumers.

A similar trend is also evident on the supply-side with most new capacities being added 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. These companies are now the global leaders in terms of both volume 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. 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.

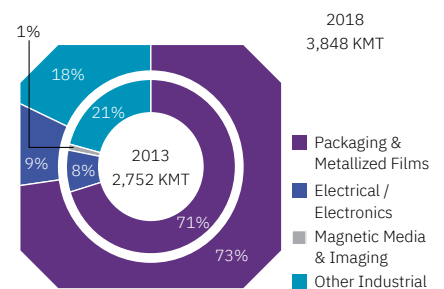
Global Thin PET Film demand by Region



Global Thin PET Film capacity by Region



Global Thin PET Film demand by End Use

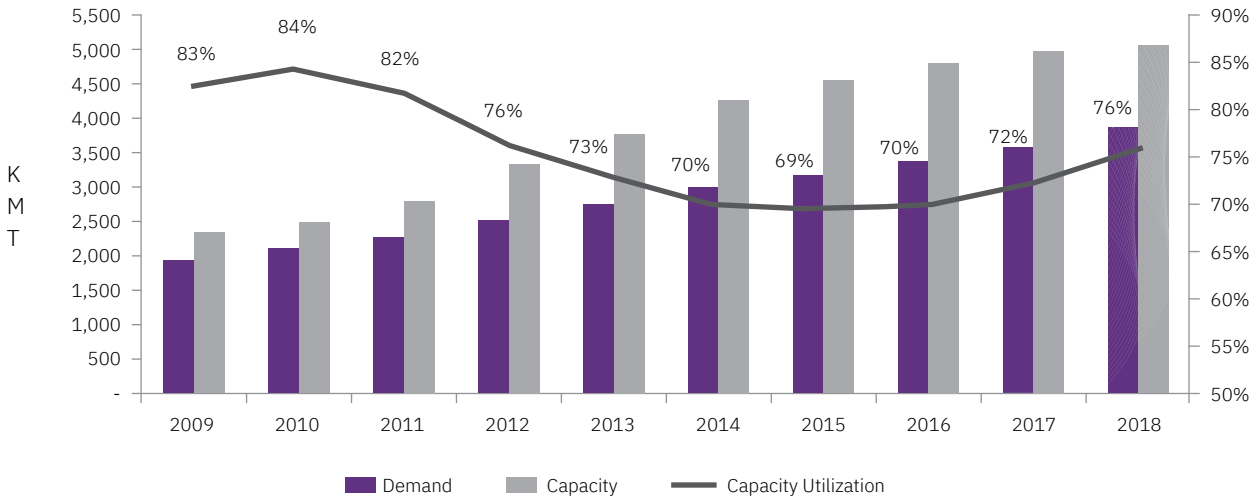


Source: Updated Company estimates

Global thin PET film growth is expected at about 5-7% for the next few years; demand in India and China is growing at 7-10%. 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:

Global Thin PET Film



Source: Updated Company estimate

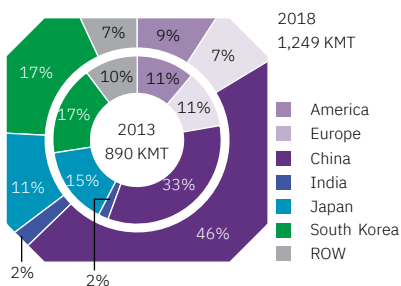
During 2009 to 2011, global average capacity utilization in thin PET films was in the range of 80-85% of rated or nameplate capacity. Since 2012, the utilization rates have declined sharply to 70-75% due to excess capacity build up. Levels between 80-90% can be considered high and close to the full producible 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. 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 almost linear thus resulting in improved CUF.

Thick PET Film

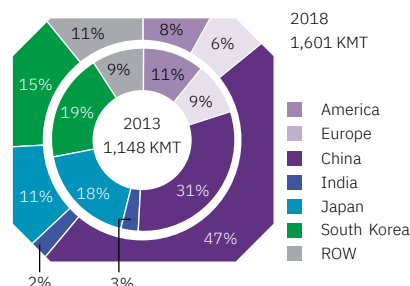
The demand for thick PET film is concentrated in Central and East Asia regions, which account for around 80% of the global consumption. Electronics and electrical applications are the key end-use segments in the thick film industry. The demand of thick PET film has grown at a CAGR of about 7 % over the past few years. Global growth has been apparent in all end use sectors with the exception of the medical/other X-ray. Over the past few years, China has emerged as the largest market for thick PET films with the market share of 46%. New innovation and applications like Flat Screen panel, photovoltaic etc. are driving growth, which should help the industry grow at a CAGR of about 4-6% in the medium-term.

Similar to the thin PET film business, the capacity addition of thick PET film in China has been significant. Producers in Japan, Europe and USA constituted around 25 % of world capacity in 2018.

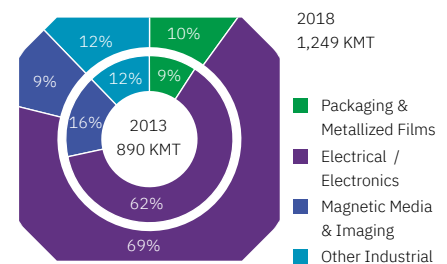
Global Thick PET Film demand by Region



Global Thick PET Film capacity by Region



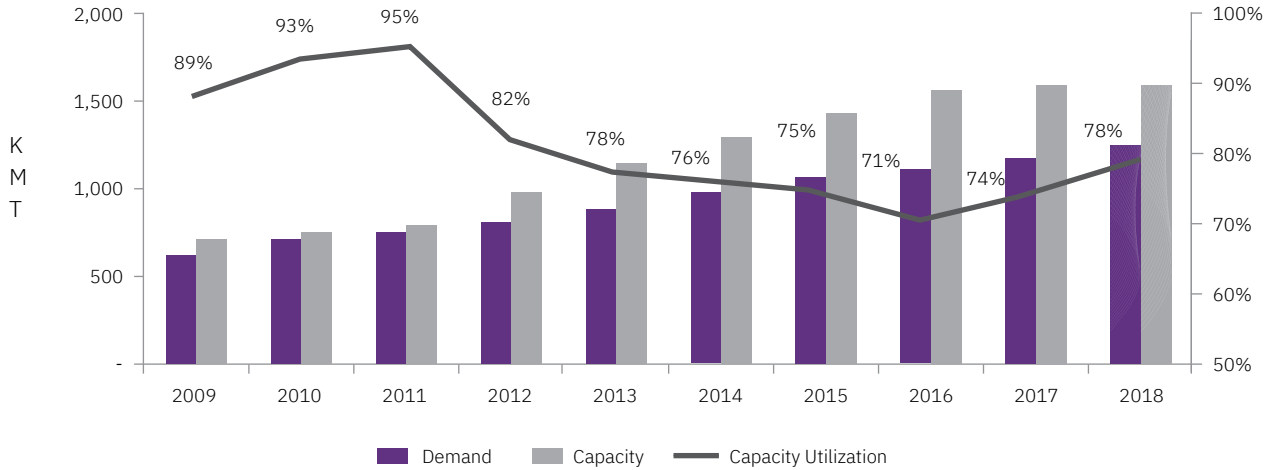
Global Thick PET Film demand by End Use



Source: Updated Company estimates

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

Global Thick PET Film



Source: Updated Company estimates

Up to 2011, global demand increased at a CAGR of 8% whereas capacity increased at a CAGR of 5%, strengthening utilization rates. Since 2012, the utilization rates have started declining due to excess capacity buildup. Over the past couple of years, the pace of capacity addition has slowed down thus resulting in improved CUF.

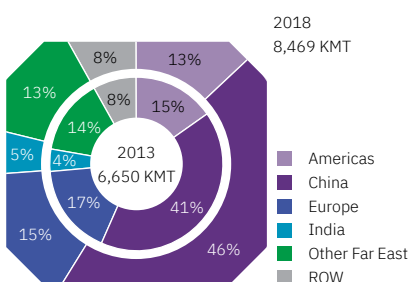
The Thick Film line in Thailand has enabled Polyplex to straddle the entire spectrum of end-uses by accessing the traditional industrial and electrical applications for thick films with significant progress in catering to several new and promising applications in optical and photovoltaic segments. The 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.

BOPP film industry overview

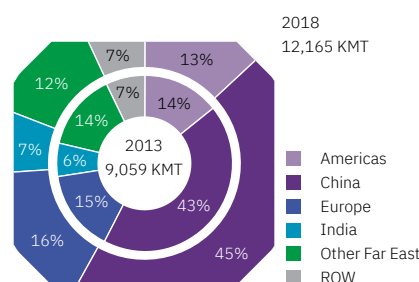
The global demand for BOPP is around 8,500 KMT and is expected to grow @ 5-6%. Packaging is the key segment constituting more than 80% of the total BOPP demand. China is about half of world’s demand and capacity. Given the proliferation of BOPP capacity, regional demand supply balance and local competition determine the market dynamics.

Feed stock of BOPP line is largely Homopolymer 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 often complimentary in a typical laminate structure.

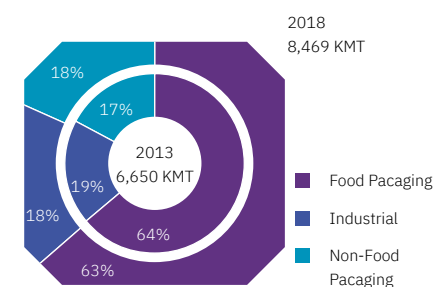
Global BOPP Film demand by Region



Global BOPP Film capacity by Region



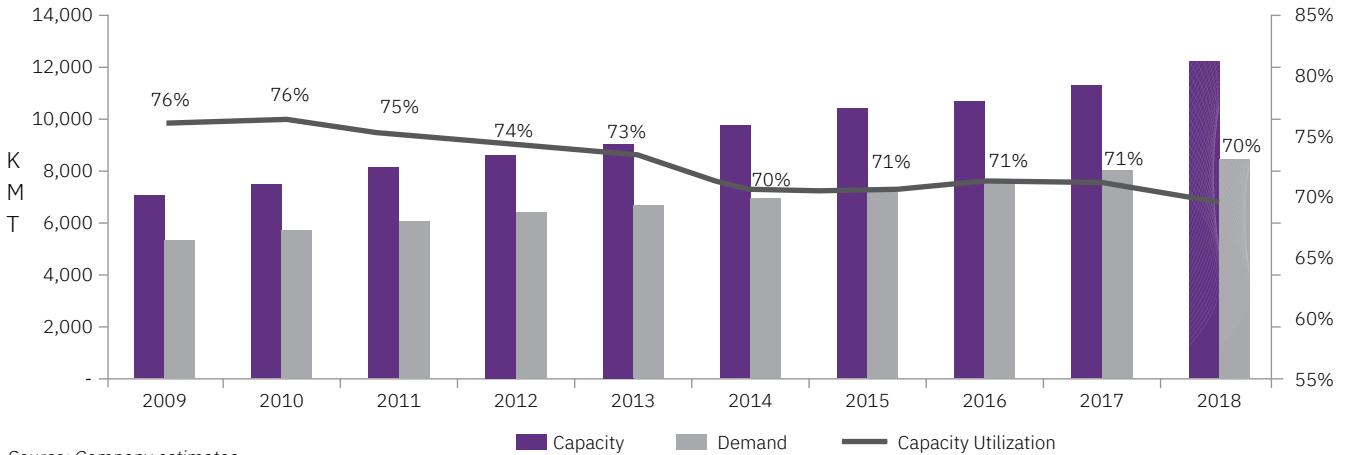
Global BOPP Film demand by End Use



Source: Company estimates

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

Global Demand Supply



Source: Company estimates

Global CUF was around 75% during 2009-2013 and has been lower at around 70% since then arising from significant capacity addition. This is projected to increase to about 75%-78% in the next few years as a linear demand growth is expected to outpace capacity addition.

It may be noted that a CUF factor of around 75%-80% is typically close to full producible capacity as the capacity data is based on maximum possible production and also includes mothballed capacities.

The Company has recently announced a new BOPP line adjacent to the 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 high productivity line, coupled with 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 there may be partial shift of growth in favor of BOPP/PE.

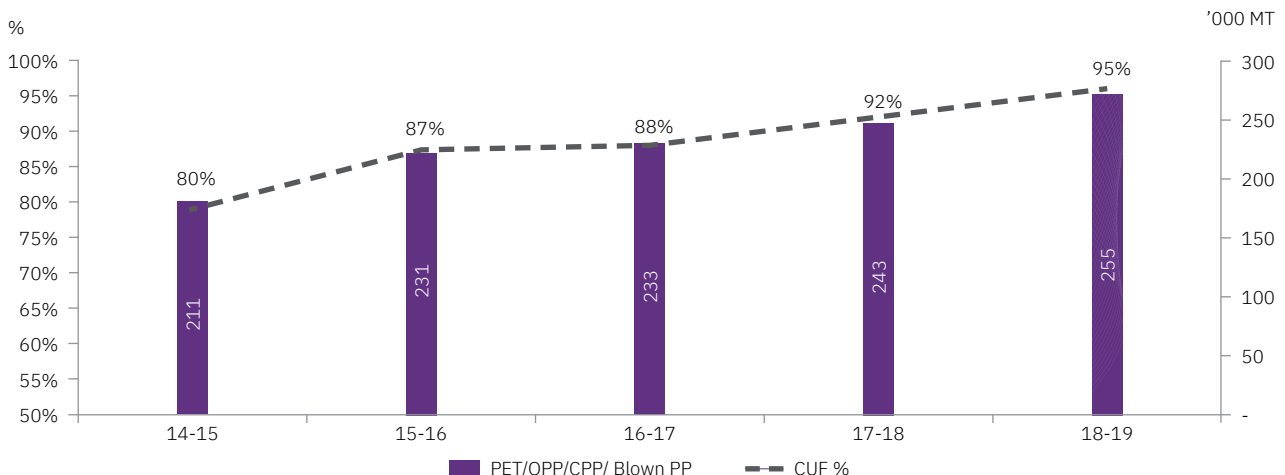
Polyplex Performance vs. Industry

In spite of industry’s CUF of various base films ranging between 70% to 78% in the past 5 years, Polyplex has an industry leading capacity utilization record as depicted below due to our vast product portfolio, customer relationships backed by combination of on-shore, off-shore and near shore business model.

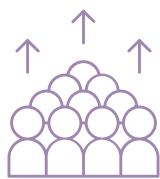
Industry Outlook

The demand supply situation in global PET thin & thick film market had 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. However, in the next two years, several new lines (both PET & BOPP film) are expected to be added. Further, many of these new expansions are latest 10 meters+ high productivity lines. This is expected to impact the demand supply balance and margins may come under pressure. However, the demand growth is expected to remain strong. The Company believes that its well-distributed manufacturing operations, diversified value-added product portfolio, quality consistency, international customer base, customer relationship, access & intimacy, efficient supply chain and a conservative Balance Sheet will allow it to grow profitably and withstand industry volatilities better.

Polyplex Base Films Production & Capacity Utilization



Demand drivers for plastic films



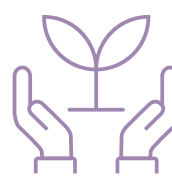
Population growth



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%).

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.

Increasing environmental awareness: Owing to increasing global environmental awareness, plastic films are gaining popularity owing to lower environmental impact (emitting lower greenhouse gases and lighter in weight).

Increasing consumerism: The 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 10,750 in 2017.

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 480,000 tonnes per annum. During FY 2019-20, 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 725,000 tonnes per annum with some of the surplus being exported. The Indian BOPP market is currently estimated at about 447,000 tonnes per annum with a current capacity of 763,000 tonnes. Demand is expected to grow at around 10% annually.

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. CPP films are usually cheaper as the fixed investment is much lower than a BOPP line as the latter is biaxially oriented as compared to mono orientation of CPP films. 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, twist wrap usage in candies, etc. Given the relative modest investments required for CPP lines, regional demand supply balances are relevant.

Another variant of PP based film is Blown PP. This film is silicone coated either on one or two sides for usage as a carrier film for pressure sensitive applications. Available in various colors, this kind of PP film is mainly used in the peel & stick waterproofing membranes where low release property at very high temperature is required. The Blown PP film is a niche product requiring specialized assets with unique flatness and low shrinkage requirements to enable optimum film processing on variety of coating machines.

PTL had commissioned the first Blown PP/PE line in October 2013. This new base film 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 which has been successfully commissioned in June 2018 will help the Company cater to new segments/new applications which the Company is currently unable to fully cater to due to capacity constraints.

Silicone coating and extrusion coating businesses

The silicone coating business produces release liner, which is used for carrying adhesive labels until these are removed from the release liner and are applied to the final surface. Applications



of siliconized films include release liner for adhesive tapes, cast polymer materials, electronic applications, roofing and other industrial uses. Company has decided to invest in another coating line at Thailand in the existing premises to strengthen its product portfolio and to increase business in electronic release liner market segment. This new Coating line should be operational in Q2 FY 2019-20.

The extrusion coating business involves a combination of PET/BOPP film with an extruded adhesive layer to produce thermal lamination film. Thermal lamination film is used for laminating 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 in markets beyond USA/EU.

Offline coating business

Digitization is rapidly growing in various application segments like labels, shrink sleeves, flexible packaging, graphics, etc. Polyplex has developed various digital print media film products to provide solutions for graphics, display and packaging segments as under:

- Digital print media developed in transparent, white opaque, glossy, translucent & matte version to wide range of applications for photo books, greeting cards, business presentations, point-of-sale displays, textile positive, polyester master plate and colour proofing etc. The possibilities are endless.
- HP Indigo digital print Media, label and commercial printing
- Konica Minolta & Xerox digital print Media for photo book, labels and commercial printing.
- Inkjet Print Media for photo book, textile, CAD application, label face and commercial printing
- Laser printable media for textile positive

- Backlit films for display
- Holographic and transfer metalizing paper for label and packaging applications
- Transparent Barrier film for packaging applications
- Peelable Sealable film for lidding applications
- Soft matte & ultra-matte for packaging and thermal application.
- UV printable substrates for carton packaging

Recently, the Company has commissioned a second offline coating line in India to meet market demand and broaden the product portfolio. Another offline coater is under implementation in Thailand

Transfer Metallized Paper Business

Metallized surface board/paper is commonly used for 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. The annual capacity of Transfer Metallized Paper in India (excluding Polyplex) is approximately 14000 tons (Other than manufacturing by converters for their own consumption). Around 50% of the production is currently exported. Domestic market consumption is approx. 7000-7500 TPA. The business is growing at a CAGR of around 8-10%.

Polyplex has successfully commissioned a laminating machine to facilitate Transfer metallized paper business in Q1 FY 2019-20 which will further enhance the product basket.

Holography business

Holographic film is 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 remarkable 3-D effect and/or spectral (rainbow) coloring. The annual capacity of Holographic Film in India (excluding Polyplex) is approximately 6000-7000 tons and annual domestic consumption is about 5300 TPA. The business is growing at a CAGR of around 10%-15%.

Polyplex has successfully commissioned four holography film production lines in India for flexible packaging applications that provide better aesthetics, protection from counterfeiting, fraud and brand protection besides hot stamping foil, label and other packaging applications. Additional two lines are expected to be commissioned in India in Q2 FY 2019-20. The Company is also in the process of adding a Holography line in Turkey.

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, Malaysia, Korea and Japan have strengthened our global delivery capabilities.
- Ongoing greenfield & recently announced brownfield expansion in Indonesia for PET & BOPP film line supports the Company's strategy of investment in large, productive & state of the art technologies. It offers 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, off-shore and near-shore business model. In the current political environment (post Trump), there is an increasing risk of disruption to a global supply chain (de-globalization) with a preference to local/regional and shorter supplies. Our value proposition of distributed manufacturing base shall have an advantage as compared to the other participants with concentrated capacities.

Healthy Product Mix & Specialty Focus

- Diversification into various substrates has helped the Company to establish itself as a complete packaging film provider.

- 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 comprised such downstream investments.
- The recent investments in Holography machines and 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 mix of large specialty, innovative and value added product portfolio.

Cost efficient operations & assets

- Investment in vertical integration (both backward and forward) complemented with investments in high productivity assets would continue to protect competitiveness, drive innovation & value addition and provide one-stop shop for customers.
- 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 planned in several lines in India, Thailand and Turkey.

Strong R&D capability

- Focus on innovation and collaborative application development helps the Company become a preferred supplier/partner with several large multinational customers.
- Technical services and new products are being developed by leveraging in-house R&D capabilities and experience.
- Collaborative Research with government labs and educational institutes to drive research & development.





- 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

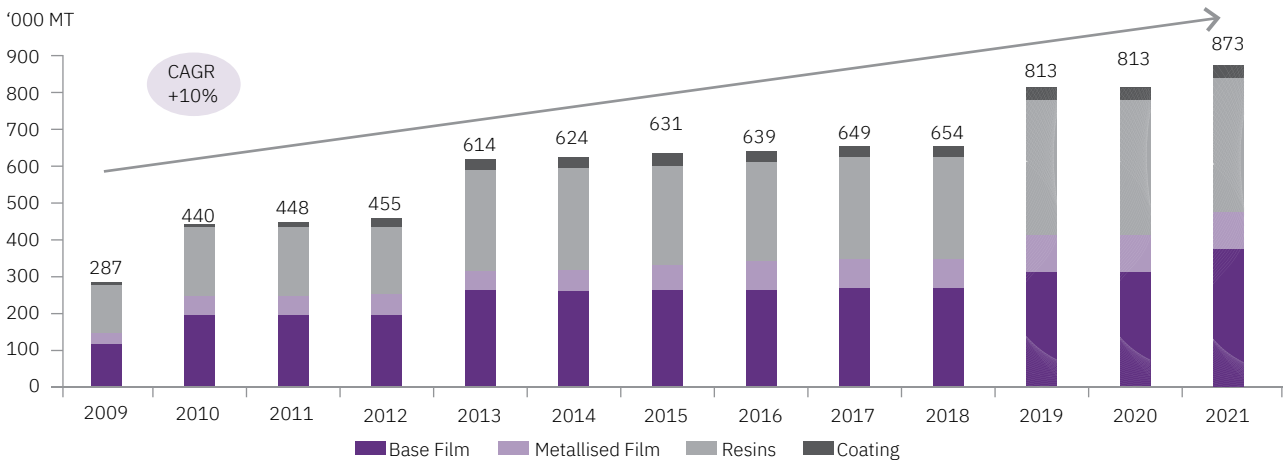
- Commitment towards sustainability while developing products & processes with minimal environmental impact.
- Developed and optimized “chemical recycling” process for manufacturing Sarafil rPET Polyester film with Post consumer Recyclate content upto 90%.
- Promoted use of bio-based renewable raw materials and energy sources for the manufacture of polyester films.

- Advanced stage of trials for developing Biodegradable PET and work going on for developing Biodegradable Blown PE/PP and CPP sealant layer options.
- Recently added capacity to a facility in Thailand for recycling in-house and sourced plastic waste.

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 10% in capacity addition).



Note:

- Coater capacities and capacity for Transfer Paper Metallized has been converted into MT based on current product mix.
- Figures for 2019 includes the proposed investments (which are under implementation) for Holography films in India & Turkey, new silicon coating line and offline coater in Thailand, New Metallizer in India and PET Film line, Resin plant, Metallizer in Indonesia respectively.
- The investment in new BOPP film line in Indonesia, co-located with the ongoing investment in a PET film line on existing surplus land has also been considered. The project start up is expected in H1 2021-22.
- Figures have been restated & revised, wherever necessary for previous years.

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

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 4-5 years and incremental benefits are expected in the future as well.

Projects

The following projects are under implementation:

1. **Greenfield PET Film project in Indonesia** – In order to capture growing demand of the local Indonesia market as also other export markets, the Company is at an advanced stage of commissioning film plant with the annual capacity of 44,000 MT and the metallizer with annual capacity of 6000 MT. The PET resin line of about 73,000 MT per annum is expected to start in Q3 2019-20.
2. **Brownfield expansion in Indonesia in BOPP line** - In June 2019, the Board approved an investment in a BOPP (Biaxially Oriented Polypropylene Film) film project in Indonesia, co-located with its ongoing investment in a PET film line on existing surplus land. The stated capacity of BOPP film plant is about 60,000 TPA. It is expected to be commissioned in H1 2021-22.
3. **New Saracote line in Thailand** – In order to enhance product portfolio and service the demand for new application and segments, the Company is in the process of setting up an additional silicone coating line in Thailand with annual capacity of 50 million sqm. It is expected to be commissioned in Q2 2019-20.
4. **New Offline Coater in Thailand** – The Company is currently setting up a new Offline Coater in Thailand with annual capacity of 1680 MT/annum in order to enhance the production of high value added specialty films. It is expected to be commissioned in Q2 2019-20.
5. **New Metallizer in India** – In order to serve the increasing demand for Metallized film arising due to expansions planned for new segments of specialty products, the Company is setting up a new Metallizer line with the annual capacity of around 6100 MT/annum. It is expected to be commissioned in Q3 2019-20.
6. **Holographic Lines in India & Turkey** – In order to cater the growing demand of holography film for export and domestic market, two additional holography machines will be installed in India with the incremental annual capacity of 1320 MT. These are expected to be commissioned in Q2 2019-20. The Company is also coming up with a Holography machine in Turkey with the annual capacity of 480 MT for expanding the product basket and is expected to be commissioned in Q3 2019-20.
7. **Batch plant in Turkey** – In order to produce Silica and Specialty Resin in-house, the Company is setting up a Batch plant in Turkey with the annual capacity of 18,250 MT. It is expected to start by Q1 FY 2020-21.

Performance during the year

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

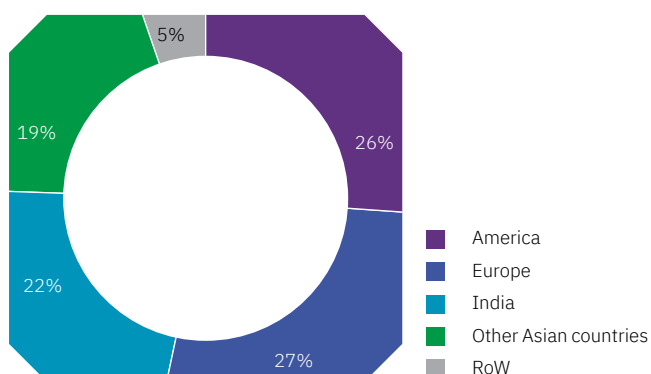
Sales and Operations

The Company has a large international presence with active sales in all major regional markets/countries with an extensive base of about 1,780 customers and low customer concentration. Its top-10 customers contributed 27% of revenues in FY 2018-19. Almost 67% of the Company's revenues were from PET films (Thin and Thick) in FY 2018-19. Of the total sales of the group, 64% was accounted by end-users leading to further diversification on risk.

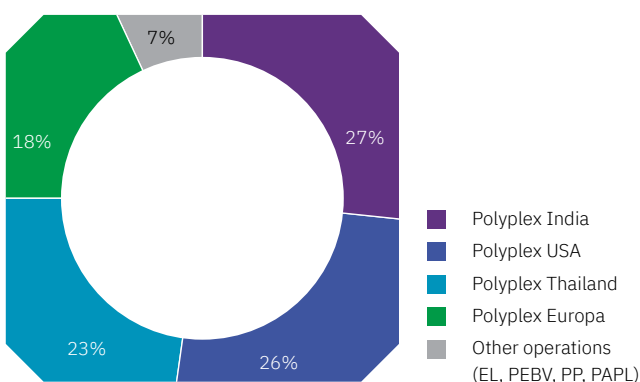


The breakup of the Company's revenues from various regions, operating companies, business segments and applications is given below:

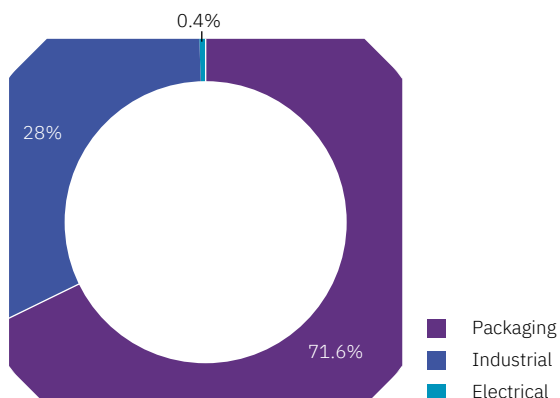
Region-wise breakup of sales



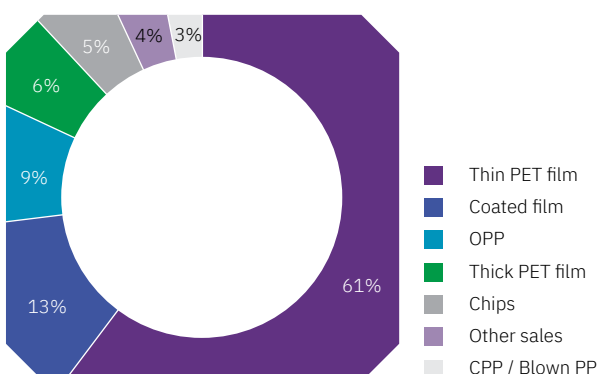
Operating company-wise breakup of sales



Application-wise breakup of sales



Business segment-wise breakup of sales



Note:

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

Financial performance

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

Particulars	2018-19			2017-18			Change (YoY)
	(₹ in Lacs)		% of Total Expenses	(₹ in Lacs)		% of Total Expenses	
Sales & Other Income	463,936	100%		361,651	100%		28%
Manufacturing Expenses	317,149	68%	80%	246,400	68%	75%	
Operating and other Expenses	66,704	14%	17%	56,483	16%	17%	
Operational EBITDA	80,083	17%		58,768	16%		36%
Foreign exchange fluctuation loss / (gain) #	(9,407)	-2%	-2%	4,934	1%	1%	
EBITDA	89,490	19%		53,834	15%		66%
Interest & Finance Charges	2,908	1%	1%	3,943	1%	1%	
Depreciation and Amortization	20,910	5%	5%	18,501	5%	6%	
Income Before Income Tax	65,672	14%		31,390	9%		109%
Exceptional Gain / (Loss)	-	0%		-	0%		
Provision for Income Tax	7,307	2%		2,978	1%		
Net Income (Before Minority Interest)	58,365	13%		28,412	8%		105%
Minority Interest	25,362	5%		12,466	3%		
Net Income (After Minority Interest)	33,003	7%		15,946	4%		107%

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

During the year under review, the sales and other income (excluding unrealized portion of foreign exchange loss/ (gain) on foreign currency long term loan) has increased by 28% due to increase in capacity utilization both in PET as well as BOPP film business and increase in per unit sales realization.

There is increase in operational EBITDA by 36%. This was mainly on account of higher sales volume and improved value addition as compared to previous year. Reported EBITDA is higher by 66% mainly due to unrealized foreign exchange fluctuation gain amounting to ₹ 9,407 lacs during the current year in comparison to unrealized foreign exchange fluctuation loss of ₹ 4,934 lacs during the previous year.

Sales and other income

	2018-19 (₹ in Lacs)	2017-18 (₹ in Lacs)	Change (YoY)
Sales	454,548	355,118	28%
Other Income	9,388	6,533	44%
Total	463,936	361,651	28%

An increase in topline during the year under review was mainly due to increase in sales volumes and higher selling price of PET and OPP Films.

Other incomes during the current year were on higher side due to operational forex gains. Other income also included interest income generated through deployment of surplus cash in low-risk fixed income securities and bank term deposits.

The break-up of sales and operational income reveals that 67% of the overall revenues are derived from thin/thick PET films (66% in FY 2017-18), 5% from PET chips (3% in FY 2017-18), 13% from coating business (13% in FY 2017-18), 9% from BOPP films (10% in FY 2017-18) and 6% from CPP films/Blown films/other sales (7% in FY 2017-18).

Manufacturing expenses

	2018-19 (₹ in Lacs)	2017-18 (₹ in Lacs)	Change (YoY)
Raw Materials Consumed (Incl. Stock Accretion/Decretion)	264,655	201,523	31%
Power & Fuel	24,464	20,570	19%
Packing Material Consumed	14,893	13,448	11%
Stores & Spares Consumed	8,814	7,682	15%
Repairs and Maintenance	4,322	3,177	36%
Total Manufacturing Expenses	317,149	246,400	29%
as a % of Sales and Other Income	67%	68%	

Manufacturing expenses increased by 29% in absolute terms due to increase in raw material consumption on account of higher sales volume and increase in raw material prices. Power and fuel costs

have increased mainly due to increase in per unit cost of natural gas & rice husk and also due to temporary use of alternate source of fuel. Increase in packing cost is due to higher volumes. Repair & maintenance costs have increased primarily due to a one-time cost incurred due to a breakdown in one of the plants.

Operating and other expenses

	2018-19 (₹ in Lacs)	2017-18 (₹ in Lacs)	Change (YoY)
Personnel Expenses	34,460	30,324	14%
Administrative Expenses	11,525	8,945	29%
Selling Expenses	20,600	17,133	20%
Other Expenses	118	81	46%
Total Operating and other Expenses	66,704	56,483	18%
as a % of Sales and Other Income	14%	16%	

Operating and other expenses in absolute term have increased by 18%. Expenses like personnel expenses, selling expenses and administrative expenses are higher reflecting the impact of inflation, costs related to new businesses/projects and increase in sales volume.

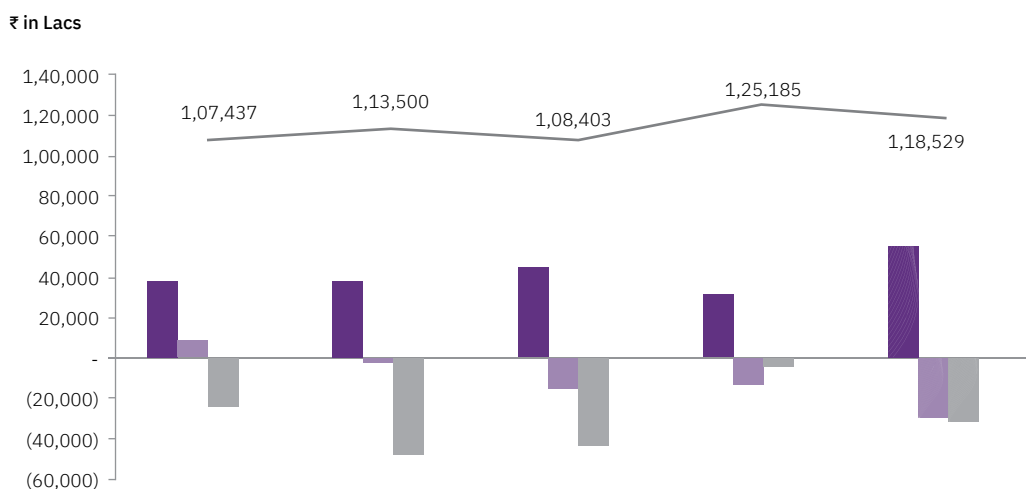
Interest and finance charges

	2018-19 (₹ in Lacs)	2017-18 (₹ in Lacs)	Change (YoY)
Interest Expense	2,726	2,918	-7%
Bank & Other Financial Charges	182	1,025	-82%
Total Interest and Finance Charges	2,908	3,943	-26%
as a % of Sales and Other Income	0.6%	1.1%	

Interest expenses are lower than the previous year due to repayment / prepayment of term loans during the year under review partially offset by higher interest cost on working capital borrowings. Further, bank & other financial charges are lower due to reclassification of FX gain/losses on reinstatement/repayment of foreign currency loans which was regarded as one time adjustment to interest cost during previous year.

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 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 ₹ 177,335 lacs (including unutilized working capital limits of ₹ 58,806 lacs) as at the end of the reporting period.

Cash flows for the last five financial years

	FY (2014-15)	FY (2015-16)	FY (2016-17)	FY (2017-18)	FY (2018-19)
Net Cash flow from Operating activities	37,601	41,404	44,120	30,705	55,119
Net Cash flow from Investing activities	8,433	(2,044)	(14,390)	(12,635)	(29,626)
Net Cash flow from Financing activities	(23,431)	(47,299)	(43,578)	(4,176)	(31,153)
Total Cash & Bank Balance Including Investment at the end of the year [#]	1,07,437	1,13,500	1,08,403	1,25,185	1,18,529

■ Net Cash flow from Operating activities ■ Net Cash flow from Financing activities
■ Net Cash flow from Investing activities — Total Cash & Bank Balance Including Investment at the end of the year[#]

[#]Cash & Bank balance include investments and fixed deposits with maturity more than 12 months

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

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Cash & Bank Balances	11,790	18,374
Fixed Deposit with Banks	94,423	93,463
Investment in Bonds	11,228	13,255
Liquid Investment	1,088	94
Total	118,529	125,185

Cash flow from operations

For the year under review, cash-flow from operating activities (before change in working capital) has increased to ₹ 77,384 lacs as compared to ₹ 55,848 lacs in previous year mainly due to higher volumes 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) and also due to higher income tax paid whereby the net cash-flow from operating activities (after change in working capital) is ₹ 55,119 lacs.

Cash flow from investing activities

The cash generated was used in investment in fixed assets to the tune of ₹ 37,247 lacs in FY 2018-19 (₹ 13,755 lacs in FY 2017-18), mainly towards capital advances for new project at Indonesia as well as multiple smaller investments in various locations. Around ₹ 4,132 lacs of fixed income securities and bank term deposits were redeemed (net of investment) during the FY 2018-19 (net investment of ₹ 864 lacs in FY 2017-18). Interest received during the year was higher at ₹ 3,242 lacs (₹ 1,918 lacs in FY 2017-18) on account of increased level of bank term deposit maturities during the year.

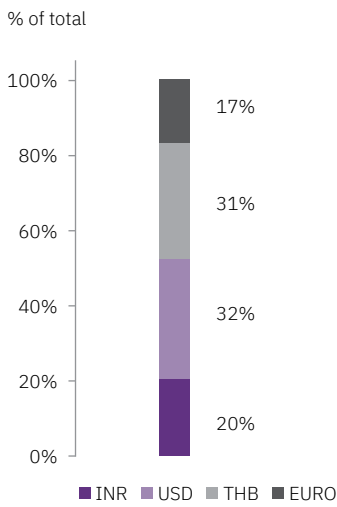
Cash flow from financing activities

During the year, there was a net decline in debt by ₹ 7,354 lacs (after accounting for fresh borrowings). Interest and financial charges paid during the year was ₹ 2,912 lacs (₹ 4,014 lacs in 2017-18). The Company paid dividend of ₹ 20,866 lacs in FY 2018-19 (₹ 7,902 lacs in 2017-18).

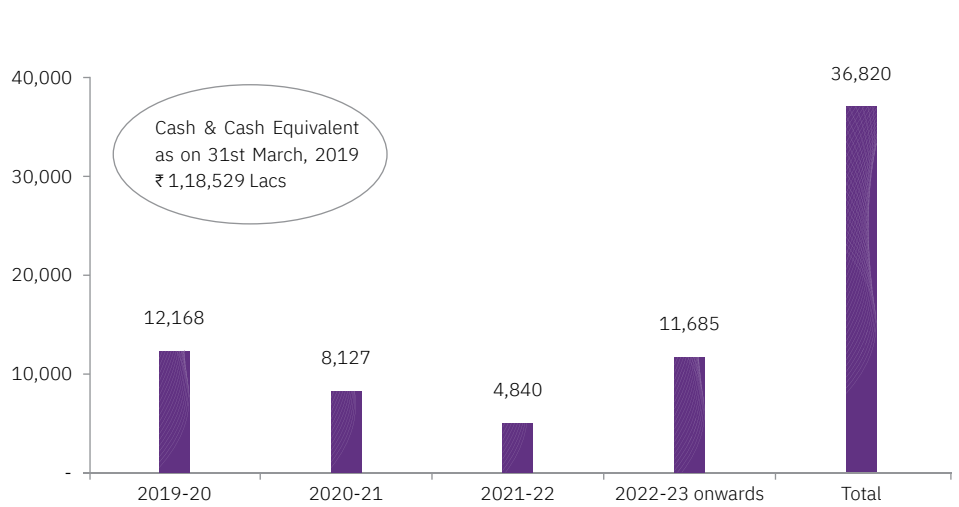
Debt profile

Total debt as on March 31, 2019 is ₹ 78,695 lacs, (₹ 86,234 lacs on March 31, 2018), a decline of ₹ 7,539 lacs over the previous year. This is mainly due to the decrease in working capital borrowing and net payment/pre-payment of long term debt.

Total Debt - Currency wise



Term Loan Repayment Schedule (₹ Lacs)



Sustainability

There is concern from all stakeholders and environmental groups on usage of plastics and especially single-use plastic items and sustainable solutions are being sought. Governments are becoming an active participant in setting out the expectations and legislations. 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.

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 upto 90% for packaging applications. The film has 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.

- The Company has developed Sarafil biodegradable PET film as per internationally accepted biodegradability (anaerobic) standards ASTM 5526 & ASTM551.
- 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.
- 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
Quality Management System (ISO 9001:2015)	Certified since 1996	Certified since 2010	Certified since 2004	Certified since 2006	Certified since 2018
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)	Certified since 2004	Certified since 2012	Certified since 2008	Certified since 2009	
Food Safety Management System (ISO 22000:2005 / BRC-IOP)	Certified since 2008 (ISO 22000)	Certified since 2012 (ISO 22000)	Certified since 2009 (ISO 22000)	Certified since 2006 (BRC-IOP)	
Energy Management System (ISO 50001:2011)	Certified since 2013		Under implementation	Certified since 2014	

The Company is in the process of finalizing 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 on the Environmental, Social and Governance performance to its stakeholders and to set benchmark for each sustainability indicator with improvement and intervention areas.

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 the communities in areas adjoining to its plants and improve the quality of life of its employees.

At its Khatima plant, the Company has been running a school 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.

Innovation

Polyplex's innovation center 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 innovations with customer requirements. The Company also focuses on developing applications and replacing existing products with alternative solutions.

- **Commitment to open innovation:** Polyplex leverages the concept of co-creation while working on various innovation programmes with its stakeholders – customers, brand owners, packaging designers, suppliers and adhesive manufacturers. On the basis of this, it classifies customer engagement initiatives as V+ (value plus), W2 (win-win) and P1 (power of one).
- **Product and application development programmes:** The purpose of this programme is to continuously come up with differentiated products and applications. 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.

The Company offers innovative solutions to its partners. Consequently, 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 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, 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.

The Company has come up with several projects focusing on CO2 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 CO2 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 layer structure to 2 layers.

Today, 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.

- '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. The concept of "Twist N Wrap" is seen as the most innovative and important feature and Polyplex's innovation has made it possible to bring it to the consumer. Apart from this, the above-mentioned innovation has made possible the conversion from a 3 layer laminate to a 2 layer laminate structure.
- The Company is also working actively on nylon film replacement project with its Thermo-formable grades.
- ALOx based transparent barrier lidding films and pasteurization/retort grade films have been commercialized during the year.
- 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.



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.

The Company is in the advanced stage of trials in developing Biodegradable PET and currently there is a lot of work going on for developing Biodegradable Blown PE/PP and CPP sealant layer options. The Company intends to work in collaboration with adhesive manufacturers and converters in order to develop a fully biodegradable bilayer laminate which will be intended for use in Packaging applications.

The Company has 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.

Polyplex has also commercialized various value added products which have generated new business opportunities in Holography, Transfer metallized paper, Offset print applications etc.

Human resources

Polyplex Group employs approximately 2100 people across the globe with another 100 employees expected to be added soon as the new green field expansion in Indonesia is commissioned over the next few months. The Company closely monitors employee performance and accordingly creates career progression paths. Greater emphasis has been given to institutionalize Performance Management System (PMS) across the hierarchy.

In order to maintain a talent pool to meet growing needs of business, the Company introduced Exclusive Leadership

Retention Plan (ELRP) for people who have good performance track record and have the potential to take leadership role.

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. The new upcoming operation in Indonesia will give opportunity to optimally spread manpower cost and give opportunity of professional growth to employees from within.

Care is one of the four core values of Polyplex's value system. Polyplex believes in holistic development of our employees. Many programs have been conducted across the Company for physical, emotional, intellectual and spiritual development of employees.

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.

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

The Company has healthy IR situation at all the plants.

Information technology

During the year under review, the Company continued to implement IT enablement initiatives for improving and optimizing processes. New application platform to replace existing standalone business application is running successfully in one unit and roll out is under progress for next location.

The focus is on effecting improvements in tools deployed to empower marketing and technical service teams, 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. During the year under review, the Company undertook IT network and applications security review with help of an external expert agency. The Company is evaluating and implementing recommendations as applicable to the IT environment of the Company. In order to provide better infrastructure for communication services, the Company is using hybrid cloud platforms.

Internal control systems and their adequacy

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. Audit firms are assigned to conduct 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:

- Active and close supervision by audit committee
- 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

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

Significant features of these control systems include:

- the organization planning system that ensures drawing up of challenging goals and formulation of detailed plans for achieving these goals.

- the risk assessment system that accounts for all likely threats to the achievement of the plans, and draws up contingency plans to mitigate all kinds of risks.
- Internal review mechanism that tracks the progress of the plan and ensure that timely remedial actions are taken, to minimize deviations from the plan.

The internal auditor reports are reviewed and discussed in Audit Committee and Board meetings on a quarterly basis. Besides, the Company uses Enterprise Resource Planning (ERP) which is supported by in-built IT controls on all major business processes that ensure reliable and timely financial reporting. The Company continuously upgrades its internal control system by measures such as strengthening of IT infrastructure and use of external management assurance services. Moreover, company-wide adherence to best practices is achieved through a combination of internal audits, management reviews and Audit Committee interventions.

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 PET films hinge on the difference between PET film prices and raw material (PTA and MEG) prices. Whenever the demand-supply balance favours the suppliers, the gap between PET film and raw material prices widen and encourages manufacturers to increase production by expanding capacities. On the contrary, if PET film supply exceeds market demand, prices drop, thereby narrowing the gap between the film and raw material prices. This cyclical nature inevitably



affects every sectoral player. Post the FY 2010-11 aberrations, a lot of capacity addition took place in the PET film industry. This skewed the demand-supply scenario and impacted margins. However, the oversupply situation has improved since the last 2-3 years with the slowdown in capacity additions and with demand growth balancing the oversupply.

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 allows it to maintain a more balanced sales profile across regions, products, customers and currencies. This year the Company has revisited and redefined the methodology for determining the proportion of High Value Added (HVA) film in the sales portfolio and the data for last two years has also been recomputed accordingly. 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 three years, the share of HVA in the total films sales turnover has increased from 24% in FY 2016-17 to 32% in FY 2018-19.

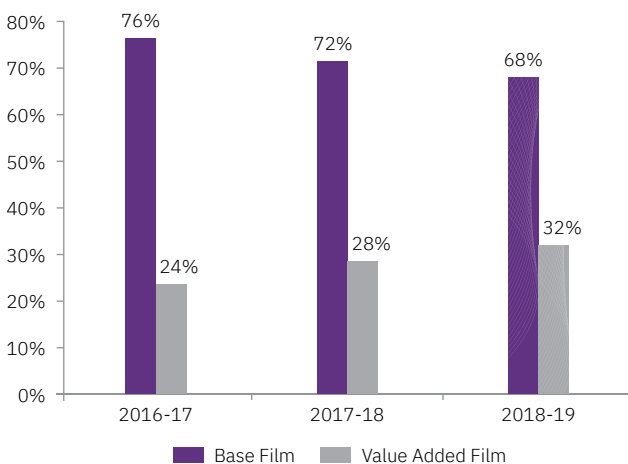
Price volatility risk

The basic raw material for production of PET film is PET resin, which in turn is produced from PTA and MEG. 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.

The oversupply in the Polyester film industry witnessed earlier has seen improvement in the past couple of years with the demand growth continuing to catch up with the oversupply. Stability of crude oil at any particular level will help in improving business sentiment and enable all players along the entire supply chain, in overcoming uncertainty caused by crude oil volatility.

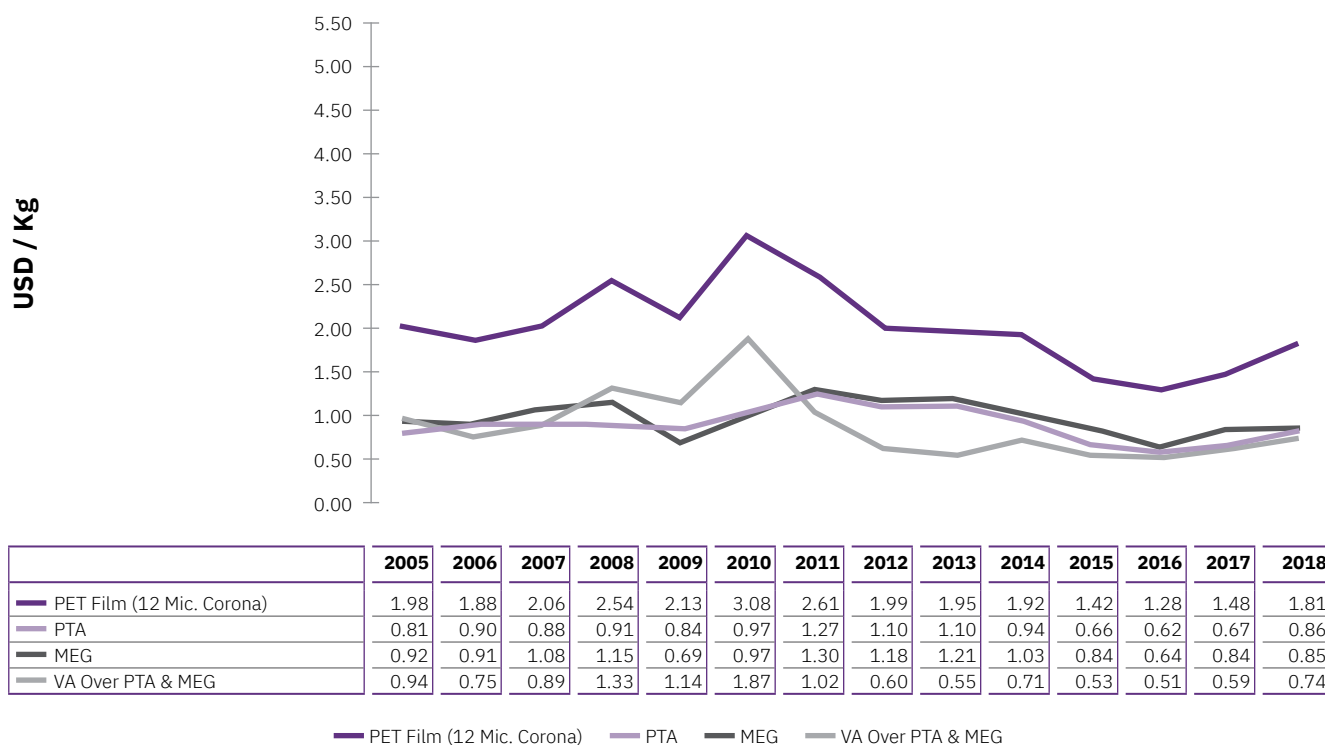
Although the raw material prices have increased but the impact has been passed on the customer due to improved demand supply situation. Analysis of historical data shows strong links between PTA/MEG and polyester film prices.

Share in Film Sales Turnover



Risk mitigation

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.

PET Film - PTA - MEG Price Trend (Far East)**Trade defense risk**

International trade in PET film has been subject to trade defense measures for more than two decades through the imposition of anti-dumping duties and countervailing duties. Anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the countries of the exporters. The important markets adopting this measure are the EU, the US, Korea, Indonesia and Brazil. 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.

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	15.35%(PCL)	7.54% - 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%	Japan Thailand Taiwan UAE China	5.95% 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%		

The Company undertakes all safeguards to insulate itself against risks arising out of 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.

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

The Company has sufficient cash reserves 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 ₹ 177,335 lacs. Free cash flows along with large unutilized credit lines available at Polyplex's disposal are expected to be quite adequate to manage various ongoing expansions and to deal with any unforeseen contingencies.

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, Thai Baht and IDR. As the Company is net US Dollar surplus, the maximum external borrowings are in US Dollars. Any spike in the US Dollar value has a negative impact on loan liabilities but with majority of the Company's exports being Dollar denominated, 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 reinstatement 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 had shifted some of its floating rate debt to fixed rate through interest rate swaps.

Credit risk

Credit risk refers to the risk of non-payment by 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 2018-19, the Company had 1780 customers and 27% 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 2018-19 stood at 48 days as compared to 56 days in FY 2017-18.

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.

Geographic risk

An overt 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 four manufacturing country locations of India, Thailand, Turkey and the US. The new investment in Indonesia for PET Film line further mitigates geographical risk. 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. In the event the ongoing problems in Turkey escalate, the impact is expected to be limited in the short term arising from a 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. Government notified latest updates with Plastic Waste Management Rules 2016 and Solid Waste Management Rules 2016 defining responsibilities and action plan which was extended to municipal authorities, manufacturers, dealers and brand owners. Amendments to these rules made in March 2018 relaxed the regulations on usage of multilayer plastics factoring in lack of alternatives. Several 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 especially to low rates of recycling of post-consumer waste and lack of efficient collection and sorting systems.

Risk mitigation

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. The Company continues to monitor the developments on this front and will consider additional mitigating steps when necessary. In any case, the multi country manufacturing and sales base of the Company reduce the extent of risk of any adverse development in any country / region. It may be observed that Flexible Packaging (Multi-Layer) is not under threat as there is no viable alternative with desired functional properties.

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-fourth Annual Report together with Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2019.

Financial Highlights and Operations

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

a) Standalone Working Results:

Particulars	₹ in Lacs)	
	2018-19	2017-18
Total Income (Previous Year-Net of Excise Duty)	1,53,956.13	1,15,265.77
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	33,704.45	14,270.54
Less : Finance Costs	484.61	1,584.34
Less : Depreciation and Amortization	4,507.21	4,750.96
Profit before Tax and Exceptional Item	28,712.63	7,935.24
Less: Exceptional Item – (Gain)/ Loss	0	0
Profit before tax but after exceptional item	28,712.63	7,935.24
Less/(Add):Tax expense and prior period adjustment	5,904.23	2,045.48
Profit after Tax (PAT)	22,808.40	5,889.76
Other Comprehensive Income	15.09	24.41
Total Comprehensive Income for the period	22,823.49	5,914.17

b) Consolidated Working Results:

Particulars	₹ in Lacs)	
	2018-19	2017-18
Total Income (Previous Year-Net of Excise Duty)	4,73,342.94	3,61,650.93
Profit before Finance Cost, Depreciation and Amortization and Tax and Exceptional Items	89,490.76	53,833.82
Less : Finance Costs	2,907.93	3,943.16
Less : Depreciation and Amortization	20,910.39	18,501.03
Profit before Tax and Exceptional Item	65,672.44	31,389.63
Less: Exceptional Item – (Gain)/ Loss	0	0
Profit before tax but after exceptional item	65,672.44	31,389.63
Less/(Add):Tax expense and prior period adjustment	7,307.15	2,977.91
Profit after Tax (PAT)	58,365.29	28,411.72
Total Other Comprehensive Income	1,197.07	22,835.86
Total Comprehensive Income	59,562.36	51,247.58
Total Comprehensive Income attributable to owner of the parent	36,694.50	27,464.67
Total Comprehensive Income attributable to Non-Controlling Interest	22,867.86	23,782.91
Earnings Per Share (of ₹ 10/- Each) (₹) (Basic & Diluted)	103.18	49.85

Year in Retrospect

During the year under review, Company earned total income of ₹ 1,53,956.13 Lacs as compared to ₹ 116,835.93 Lacs during the preceding year on Standalone basis, including income by way of dividend from subsidiary(ies) amounting to ₹ 16,984.05 Lacs (Previous Year ₹ 4,513.94 Lacs) . Profit before Tax improved to ₹ 28,712.63 Lacs as compared to ₹ 7,935.24 Lacs. Profit after Tax for the year was at ₹ 22,808.40 Lacs as compared to ₹ 5,889.76 Lacs during the preceding year.

During the year under review, Company earned total income of ₹ 4,73,342.94 Lacs as compared to ₹ 3,63,221.09 Lacs during the preceding year on Consolidated basis. Profit before Tax was ₹ 65,672.44 Lacs as compared to ₹ 31,389.63 Lacs. Profit after Tax and before Minority Interest was ₹ 58,365.29 Lacs as compared to ₹ 28,411.72 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 ₹ 100.00 Lacs).

Board of Directors have declared and paid first Interim dividend at the rate of ₹ 10.00 per share of the Face Value of ₹ 10 each (@100%) (Record Date: November 28, 2018) and Second Interim dividend (Special) at the rate of ₹ 31.00 per share of the Face Value of ₹ 10 each (@310%) (Record Date: May 29, 2019).

Your Board of Directors have proposed payment of Final Dividend at the rate of ₹ 10.00 per share of the Face Value of ₹ 10 each (@100%), which would be paid after its declaration by the Members at the ensuing Annual General Meeting.

Cumulatively, the Board of Directors of the Company has declared/Recommended the total dividend of ₹ 51/- per share share (@510%) for the year under review.

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 a view on the outlook for the current year are also given in the 'Management Discussion and Analysis Report'.

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, 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 Ticaret 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 Form AOC-I, which forms part of the Annual Report.

The Financial Statements of the Subsidiary Companies will be posted on companies 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 2018-19. There were no unclaimed deposits as at March 31, 2019.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, in relation to the Financial Statements for the Financial Year 2018-19, 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, 2019 and of the profit of the Company for the year ended on March 31, 2019;
- 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, Ms. Pooja Haldea and Mr. Ranjit Singh served on the Board of the Company.

Mr. Brij Kishore Soni and Mr. Jitender Balakrishnan were appointed as Independent Director for second term of five consecutive years w.e.f. April 1, 2019 to March 31, 2024 by the Members of the Company in their meeting held on March 30, 2019.

Dr. Suresh Inderchand Surana resigned from the Board of the Company w.e.f. June 11, 2018 due his personal professional commitments. Your Board of Directors place on record their appreciation for the services rendered by Dr. Surana during his tenure on the Board/ Committees of the Board.

Further, Dr. Suresh Inderchand Surana has been re-appointed as an Additional Director in the Independent Directors category w.e.f. July 10, 2019. He holds office upto the date of ensuing Annual General Meeting. A Special Resolution for his re-appointment is included in the Notice of the ensuing Annual General Meeting.

First term of Ms. Pooja Haldea as Independent Director will be expiring on March 29, 2020. Based on her successful performance evaluation, Nomination and Remuneration

Committee has recommended her re-appointment for a second term from March 30, 2020 to March 29, 2025. The Special Resolution for her re-appointment is included in the Notice of the ensuing Annual General Meeting.

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 has been noted and take on record the deceleration 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 Saraf 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 2018-19, Six meetings of the Board were held and the gap between two consecutive meetings was not more than 120 days. Details about the attendance at these meetings are given in the Corporate Governance Report attached.

A separate meeting of the Independent Directors was held on August 14, 2018, 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 there under. 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** 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, Stakeholder's 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

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.

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 there under 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 Reports' on the Financial Statements of the Company for the Financial Year 2018-19 to the Members is part of Annual Report. There are no qualifications, reservations or adverse remarks or disclaimers requiring any explanation in their report.

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 2019-20.

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 2019-20. 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 2018-19 pursuant to the provisions of Section 204 of the Act and Rules made there under. Secretarial Audit Report received from them is annexed herewith and marked as **Annexure D**.

Observations or 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 Accounting Standard (AS) 18 has been made in the notes to the Financial Statements. All related party transactions are negotiated on an arms-length basis and are in the ordinary course of business. Therefore, the provisions of Section 188(1) of the Act are not applicable 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 material changes and commitments affecting the financial position of the Company which have occurred between the March 31, 2019 and the date of this Board's Report (i.e. July 10, 2019).

There have been no instances of frauds 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

Date : July 10, 2019
Place : Noida

Sd/-
Sanjiv Saraf
Chairman

Annexure to the Directors' Report

Annexure-A

Statement showing particulars of employees of the Company required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board of Directors Report for the year ended March 31, 2019.

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	60	FCA, CS	1-Aug-1985	34	3,65,40,550	Optima Consultants Private Limited, Consultant
2	Mr. Manish Gupta	Chief Financial Officer	51	B.Com (Hons) MBA (Finance) (IIM, Bangalore)	1-Aug-2008	28	1,69,46,309	Polyplex (Thailand) Public Company Limited, Thailand, General Manager – Commercial
3	Mr. Rajendra Singh Gaur	Vice President (Operations Head Plant)	58	Diploma (instrumentation)	14-Jan-2009	39	1,67,88,713	Polyplex (Thailand) Public Company Limited, Thailand, Plant Head
4	Mr. Sunil Kumar Ram	Vice President (Group Head HR)	52	BE (Mech.), M. Tech (Industrial & Mgmt Eng.), IIT-K	1-Aug-2006	29	1,50,79,791	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey - Plant Head
5	Mr. Kapil Gupta	Sr. Vice President (Profit Centre Head, India)	60	B.E. (Chem), PGDM (IIM, Ahm.)	18-Jul-2011	37	1,50,23,974	Polyplex Europa Polyester Film Sanayi Ve Ticaret, Anonim Sirketi- Turkey , Profit Centre Head
6	Mr. Ramakrishna Rao Kuchipudi	Sr. General Manager (NPD, R & D and TS)	56	B.Tech (Chemical) M. Tech (Chemical)	1-April -2009	34	80,18,469	Bhilangana Hydro Power Limited, General Manager
7	Mr. Harminder Singh	General Manager (Indirect Taxation and Admin)	60	B.Sc.	26-June-2000	32	78,50,713	Senior Manager in Rajdoot Paint Group
8	Mr. Ashok Kumar Gurnani	Company Secretary	61	FCS, AICAI, M.Com, LL.B (Delhi University)	05-Feb-1987	41	57,43,361	Bharat Gears Limited, Secretarial Executive
9	Mr. Rakesh Kakkar	General Manager (Sales and Marketing)	59	Diploma (Electrical)	01-Aug-1991	38	50,01,128	Excel Marketing Pvt. Ltd. (Asth. Manager -Sales)
10	Mr. Manoj Agarwal	Sr. General Manager (NPD, R&D and Technical Services)	57	B.Tech (Chemical)	17-Feb-2005	37	46,95,615	Polyplex (Thailand) Public Company Limited, Thailand, Deputy General Manager

B. Employed for part of the year: NIL

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 and value of perquisites calculated in accordance with the Rules framed under the Income Tax Act, 1961.
2. None of above employee 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 employee is related to any Director of the Company.

Annexure to the Directors' Report

Annexure-B

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 Directors	
Mr. Sanjiv Saraf	80.23
Executive Director	
Mr. Pranay Kothari	106.60

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 Directors	
Mr. Sanjiv Saraf	292.86 %
Executive Director	
Mr. Pranay Kothari	52.34 %
Key Managerial Personnel	
Mr. Manish Gupta (CFO)	1.36 %
Mr. Ashok Kumar Gurnani (CS)	-30.66 %

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 3.66 % during the year.

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

As on March 31, 2019, total numbers of employees were 888.

- (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 3.66 % as compared to average increase of 20.91 % 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

Date : July 10, 2019
Place : Noida

Sd/-
Sanjiv Saraf
Chairman

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 Independent, Non Executive, Non Independent Promoter).

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

Dr. Suresh Inderchand Surana, Member, (Non Executive - Independent) (Resigned w.e.f. from June 11, 2018).

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:

₹ 5,316.00 Lacs

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

₹ 106.32 Lacs.

5. Details of CSR Spent during the Financial Year (2018-19)-:

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

To be spent ₹ 106.32 Lacs. Amount spent ₹ 88.42 Lacs

(b) Amount unspent, if any

₹ 17.9 Lacs

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

As per Annexure attached

6. Reasons for not spending the prescribed amount:

The Board of Directors have approved spending of unpaid amount and the same is proposed to be spent in the current Financial 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

Sd/-
Sanjiv Saraf
Chairman of CSR Committee

Date: July 10, 2019
Place: Noida

Annexure to CSR Report

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	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	Uttar Pradesh	5,00,000	Direct	5,00,000	Implementing agency: Navsrijan Education Society, Lucknow.

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	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 (₹)
2	Promoting Health Care	Health Care	National Capital Region	4,80,000	Direct	4,80,000	Implementing agency : Sapna, New Delhi
3.	Promoting Education	Education	Uttarakhand	7,21,900	Direct	7,21,900	Direct
4	Promoting Education	Promoting Culture/ Language	National Capital Region	70,00,000	Direct	70,00,000	Implementing agency: Rekhta Foundation
5	Promoting Education	Promoting Education	Uttarakhand	1,00,000	Direct	1,00,000	Bharat Vikash Parisad
6	Promoting Education	Promoting Education	National Capital Region	40,000	Direct	40,000	MSSI
Total				88,41,900		88,41,900	

Sd/-

Pranay Kothari

Whole time Director

Date: July 10, 2019

Place: Noida

Sd/-

Sanjiv Saraf

Chairman of CSR Committee

Annexure to the Directors' Report

Annexure-D

FORM NO. MR-3
Secretarial Audit Report
For the Financial Year Ended on 31st March, 2019

[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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2019 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) Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR"), to the extent applicable;
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018 (**Not applicable to the Company during the Review Period**);
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, to the extent applicable;
 - (d) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (**Not applicable to the Company during the Review Period**);
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Review Period**);
 - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Review Period**);
 - (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 (**Not applicable to the Company during the Review Period**);
 - (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, to the extent applicable;

- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, to the extent applicable;
- (j) Securities and Exchange Board of India (Depositories and Participants Regulations, 2018, to the extent applicable;
- (k) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009, to the extent applicable.
- and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:-
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ Circulars/ guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Regulation 27(2) of SEBI LODR - Corporate Governance Report for the quarter ended 31.03.2019.	Delay of one day in submission on NSE	Corporate Governance Report was submitted in time with BSE and Company's own website. However it was filed late on NSE by one day. NSE has imposed penalty of ₹ 2000/- on the Company under Standard Operating Procedure (SOP), which has been paid. Company has represented to NSE for waiver of this penalty which was unintended/ unintentional.
2.	Regulation 44(3) - Voting Result and Scrutinizers Report of Extra Ordinary General Meeting (EGM) held on 30.03.2019	Delay of approximately 6 hours in submission of voting results of EGM.	Voting Results and Scrutinizers Report were filed with NSE and BSE on April 01, 2019 at around 05:29 p.m. and 05.38 p.m. respectively with delayed about 6 hours due to medical emergency.

- (b) The following are the details of actions taken against the listed entity/its promoters/ directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:-

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any.
1	NSE	Regulation 27(2) of SEBI LODR - Corporate Governance Report for the quarter ended 31.03.2019	NSE has imposed penalty of ₹ 2,000/- for delayed filling of Corporate Governance Report by one day, which has been paid.	Company has represented to NSE for condonation of delay / waiver of penalty as the same was unintended and unintentional.

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

8. We have also examined the compliances with the applicable clauses of the Secretarial Standards 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.

9. We further report that:-

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

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

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the

minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

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

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

- (i) Public / Rights / Preferential Issue of Shares / Debenture / Sweat Equity;
- (ii) Redemption / Buy-back of Securities;
- (iii) Merger / Amalgamation / Reconstruction etc.;

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

For **RSM & CO.**
Company Secretaries

Sd/-
RAVI SHARMA
PARTNER
FCS No. 4468, C.P. No. 3666

Date: July 10, 2019
Place: New Delhi

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

Sd/-
RAVI SHARMA
PARTNER
FCS No. 4468, C.P. No. 3666

Date: July 10, 2019
Place: New Delhi

Annexure to the Directors' Report

Annexure-E

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) Installed Variable Speed Drives of 75 KW at Cooling Water Pump of CP.
- b) Shifted BOPET Chill Roll cooling load from chilled water to cooling tower water and controlling as per condition requires.
- c) Installation of VFD in utility cooling tower fan to optimize the running during winter season to avail the benefit of climatic conditions.
- d) Optimization of Power Factor from 0.990 to 0.996 by Using Harmonic Filter to reduce losses resulting into net savings.
- e) Condenser and Chilled water pumps size optimized in Utility for better efficiency and capacity utilization.
- f) All conventional lights of admin building replaced with LED lights.
- g) EG recovery time reduced by using intermediate phase EG with acceptable moisture to reduce steam consumption.
- h) Replaced MDO HCU Pump Motors with lower KW rating to improve on power consumption.

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:

₹ 53.44 Lacs

(B) TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- a) Invested in Holography machinery including process know-how for specialty holographic PET films having wide applications in packaging, carton laminations etc.
- b) Developed 'In house' embossable resin based film successfully for Holographic application.
- c) Technology for obsolete electrical instrumentation and software system in Line-2 in winder and take up transfer section to ensure reliability of operations.
- d) Inline coating systems upgraded by introducing new pumping systems to minimize the coating quality related issues.

- e) Developed and incorporated in house collection systems to handle various specialty film recycle fluff materials for recycling.
- f) Off line Coater upgraded for making specialty transfer metalized paper by introducing additional lamination and separation machinery enabling to implement adhesive based lamination technology and produce specialty transfer metallized paper for various applications like gift wrapping, print laminations, labels etc.

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

- a) Started using Polyester Lumps in Recycle Plant, which was otherwise sold as scrap.
- b) Development of Gold film from Line-2 instead of Line-1 which improved productivity and cost.
- c) Development of different white shade film by tonner addition in Resin to expand product range to meet customer needs.
- d) Modification in DE resin and DE film and eliminate coating in DE side
- e) Procure the Stroboscope to check Online Defect of BOPP Film & it helps to check the scratch mark which reduced the Film rejection due to Quality
- f) For continual improvement in productivity of BOPP Line, provided Stopper at TDO Outlet to avoid the return of TDO Trim.

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

Upgradation of Gauging System in Line-2 for quality improvement.

(iv) Expenditure incurred on Research and Development:

Revenue expenditure on R&D incurred during the Year: ₹ 454.62 Lacs (Previous Year: ₹ 437.85 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 0.34 %. (Previous Year 0.40%)

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned: ₹ 60,459.83 Lacs (Previous Year : ₹ 37,654.45 Lacs)

Used: ₹ 12,758.05 Lacs (Previous Year : ₹ 8,183.93 Lacs)

Annexure to the Directors' Report

Annexure-F

FORM NO. MGT 9 Extract of Annual Return As on the Financial Year Ended on March 31, 2019

[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: 05943250281
vi	Whether listed company	Yes
vii	Name, Address and contact details of the Registrar and Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium, Tower-B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel. : +91-40-67162222 Fax : +91-40-23001153 Toll Free No.: 1800-345-4001 Email : einward.ris@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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	98.57%

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)

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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% 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)	5,84,198	-	5,84,198	1.83	2,59,060	-	2,59,060	0.81	(1.02)
SUB TOTAL:(A) (1)	25,94,400	25,94,400	8.11		22,69,262	22,69,262	7.09	(1.02)	

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	2,49,000		2,49,000	0.78	5,74,138		5,74,138	1.80	1.02
SUB TOTAL (A) (2)	1,34,07,134	-	1,34,07,134	41.92	1,37,32,272	-	1,37,32,272	42.93	1.02
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	16,35,693	10,800	16,46,493	5.15	15,32,318	-	15,32,318	4.79	(0.36)
b) Alternate Investment Funds	-	-	-	-	62,000	-	62,000	0.19	0.19
b) Financial Institutions/Banks	13,338	7,500	20,838	0.07	84,500	7,500	92,000	0.29	0.22
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	6,92,233	7,600	6,99,833	2.19	6,85,460		6,85,460	2.14	(0.04)
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	23,41,264	25,900	23,67,164	7.40	23,64,278	7,500	23,71,778	7.42	0.01
(2) Non Institutions									
a) Bodies corporates									
i) Indian	50,03,269	12,100	50,15,369	15.68	44,82,719	3,600	44,86,319	14.03	(1.65)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals:									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	29,91,484	3,56,497	33,47,981	10.47	33,96,383	2,86,797	36,83,180	11.52	1.05
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lac	19,70,496	-	19,70,496	6.16	27,26,120	-	27,26,120	8.52	2.36
c) Others (specify):									
(c-i) NRIs	28,39,982	7,600	28,47,582	8.90	21,29,530	7,100	21,36,630	6.68	(2.22)
(c-ii) OCB	-	2,400	2,400	0.01	-	2,400	2,400	0.01	-
(c-iii) Directors and Relatives	4,584	-	4,584	0.01	1,000	-	1,000	0.00	(0.01)
(c-iv) Hindu Undivided Family(ies)	2,20,921	-	2,20,921	0.69	3,23,823	-	3,23,823	1.01	0.32
(c-v) Trusts	100	-	100	0.0	3,850	-	3,850	0.01	0.01
(c-vi) NBFC Registered with RBI	30,660	-	30,660	0.1	113	-	113	0.00	(0.10)
(c-vii) Clearing Members	21,825	-	21,825	0.1	29,590	-	29,590	0.09	0.02
(c-viii) Unclaimed Suspense Account	60,300	-	60,300	0.2	6,800	-	6,800	0.02	(0.17)
(c-viii) IEPF	93,684	-	93,684	0.3	2,11,463		2,11,463	0.66	0.37
SUB TOTAL (B)(2):	1,32,37,305	3,78,597	1,36,15,902	42.57	1,33,11,391	2,99,897	1,36,11,288	42.56	(0.01)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1,55,78,569	4,04,497	1,59,83,066	49.97	1,56,75,669	3,07,397	1,59,83,066	49.97	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,15,80,103	4,04,497	3,19,84,600	100.00	3,16,77,203	3,07,397	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 01, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% 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	-	-
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 01, 2018)		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, 2019)	
		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, 2018 to March 31, 2019.

(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. allotment/transfer/bonus/sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	IL & FS Trust Company Ltd[^]							
	April 1, 2018	3,982,674	12.45%	April 1, 2018	Opening	NA	3,982,674	12.45%
				June 30, 2018	-32,165	Transfer	3,950,509	12.35%
				September 30, 2018	-789,636	Transfer	3,160,873	9.88%
				December 31, 2018	-603,928	Transfer	2,556,945	7.99%
	At the end of the year			March 31, 2019	-475,164	Transfer	2,081,781	6.51%

[^]Hold shares in its name in trust for K2 Family Pvt. Trust.

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	Specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
2	Reliance Capital Trustee Co Ltd. - Reliance Small Cap Fund							
	April 1, 2018	1,404,314	4.39%	April 1, 2018	Opening	NA	1,404,314	4.39%
				June 30, 2018	0	NA	1,404,314	4.39%
				September 30, 2018	62,626	Transfer	1,466,940	4.59%
				December 31, 2018	0	NA	1,466,940	4.59%
	At the end of the year			March 31, 2019	65,378	Transfer	1,532,318	4.79%
3	Keswani Haresh							
	April 1, 2018	1,418,418	4.43%	April 1, 2018	Opening	NA	1,418,418	4.43%
				June 30, 2018	-29,857	Transfer	1,388,561	4.34%
				September 30, 2018	-6,487	Transfer	1,382,074	4.32%
				December 31, 2018	-271,253	Transfer	1,110,821	3.47%
	At the end of the year			March 31, 2019	-9,028	Transfer	1,101,793	3.44%
4	Ricky Ishwardas Kirpalani^^							
	April 1, 2018	1,313,742	4.11%	April 1, 2018	Opening	NA	1,313,742	4.11%
				June 30, 2018	0	NA	1,313,742	4.11%
				September 30, 2018	-98,401	Transfer	1,215,341	3.80%
				December 31, 2018	-304,473	Transfer	910,868	2.85%
	At the end of the year			March 31, 2019	0	NA	910,868	2.85%
5	Finquest Securities Private Limited							
	April 1, 2018	0	0.00%	April 1, 2018	Opening	NA	0	0.00%
				June 30, 2018	0	NA	0	0.00%
				September 30, 2018	15,700	Transfer	15,700	0.05%
				December 31, 2018	321,300	Transfer	337,000	1.05%
	At the end of the year			March 31, 2019	20,000	Transfer	357,000	1.12%
6	Soyuz Trading Company Limited							
	April 1, 2018	101,752	0.32%	April 1, 2018	Opening	NA	101,752	0.32%
				June 30, 2018	43,108	Transfer	144,860	0.45%
				September 30, 2018	72,433	Transfer	217,293	0.68%
				December 31, 2018	80,629	Transfer	297,922	0.93%
	At the end of the year			March 31, 2019	26,631	Transfer	324,553	1.01%
7	Akash Bhanshali							
	April 1, 2018	0	0.00%	April 1, 2018	Opening	NA	0	0.00%
				June 30, 2018	0	NA	0	0.00%
				September 30, 2018	107,649	Transfer	107,649	0.34%
				December 31, 2018	115,000	Transfer	222,649	0.70%
	At the end of the year			March 31, 2019	88,199	Transfer	310,848	0.97%
8	Vasundhara Pasari							
	April 1, 2018	186,500	0.58%	April 1, 2018	Opening	NA	186,500	0.58%
				June 30, 2018	10,000	Transfer	196,500	0.61%
				September 30, 2018	120,000	Transfer	316,500	0.99%
				December 31, 2018	1,967	Transfer	318,467	1.00%
	At the end of the year			March 31, 2019	-8,000	Transfer	310,467	0.97%
9	Urmila Pasari							
	April 1, 2018	161,781	0.51%	April 1, 2018	Opening	NA	161,781	0.51%
				June 30, 2018	20,000	Transfer	181,781	0.57%
				September 30, 2018	0	NA	181,781	0.57%
				December 31, 2018	43,000	Transfer	224,781	0.70%
	At the end of the year			March 31, 2019	8,000	Transfer	232,781	0.73%

Sr. No.	Shareholding at the beginning of the year			Date	Increase / Decrease in Shareholding during quarter	Specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Cumulative Shareholding during the year	
	Date	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
10	Ashmavir Financial Consultants Private Limited							
	April 1, 2018	126,100	0.39%	April 1, 2018	Opening	NA	126,100	0.39%
				June 30, 2018	0	NA	126,100	0.39%
				September 30, 2018	1,000	Transfer	127,100	0.40%
				December 31, 2018	0	NA	127,100	0.40%
	At the end of the year			March 31, 2019	0	NA	127,100	0.40%
11	Kiran Chulani*							
	April 1, 2018	118,000	0.37%	April 1, 2018	Opening	NA	118,000	0.37%
				June 30, 2018	-11,600	Transfer	106,400	0.33%
				September 30, 2018	0	NA	106,400	0.33%
				December 31, 2018	-35,000	Transfer	71,400	0.22%
	At the end of the year			March 31, 2019	0	NA	71,400	0.22%
12	DSP Blackrock Small and Midcap Fund*							
	April 1, 2018	231,379	0.72%	April 1, 2018	Opening	NA	231,379	0.72%
				June 30, 2018	-116,522	Transfer	114,857	0.36%
				September 30, 2018	-114,857	Transfer	0	0.00%
				December 31, 2018	0	NA	0	0.00%
	At the end of the year			March 31, 2019	0	NA	0	0.00%
13	Ajay Upadhyaya* ^^							
	April 1, 2018	140,000	0.44%	April 1, 2018	Opening	NA	140,000	0.44%
				June 30, 2018	0	NA	140,000	0.44%
				September 30, 2018	-20,000	Transfer	120,000	0.38%
				December 31, 2018	-20,000	Transfer	100,000	0.31%
	At the end of the year			March 31, 2019	-100,000	Transfer	0	0.00%

1 *Not in the list of Top Ten Shareholders as on 31.03.2019.

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

3 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.

(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2018)		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, 2019)	
		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	--	--	--	--	--	--	--
*Mr. Pranay Kothari is Whole Time Director and Key Managerial Personnel of the Company								
**Dr. Suresh Inderchand Surana resigned w.e.f. June 11, 2018								
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

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 (01.04.2018)				
i) Principal Amount	15,276.18	6,610.35	-	21,886.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.05	4.92	-	13.98
Total (i+ii+iii)	15,285.23	6,615.27	-	21,900.51
Change in Indebtedness during the Financial Year				
Additions	6,310.85	778.66	-	7,089.52
Reduction	597.73	6,615.27	-	7,213.01
Net Change	5,713.12	-5,836.61	-	-123.49
Indebtedness at the end of the Financial Year (31.03.2019)				
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	-	21,777.02

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time directors 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		3,48,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		7,26,550
	(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 (Employer's contribution to Provident Fund and Tax free Superannuation Fund)		10,14,000
	Total (A)		3,65,40,550
	Ceiling as per the Act		14,33,45,000

*Includes Performance Award of ₹ 120 lacs for the Financial year 2018-19 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					Total Amount
		Dr. Suresh Inderchand Surana*	Mr. Brij Kishore Soni	Mr. Jitender Balakrishnan	Ms. Pooja Haldea	Mr. Ranjit Singh	
1	(a) Fee for attending Board/ Committee meetings	1,50,000	10,00,000	7,50,000	5,50,000	3,50,000	28,00,000
2	(b) Commission	--	--	--	--	--	
3	(c) Others, please specify	--	--	--	--	--	
	Total B (1)	1,50,000	10,00,000	7,50,000	5,50,000	3,50,000	28,00,000

*Dr. Suresh Inderchand Surana resigned from the Board of Directors/ Committee w.e.f. June 11, 2018.

2. Other Non Executive Directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Director		Total Amount
		Mr. Sanjiv Saraf	Mr. Sanjiv Chadha	
1	(a) Fee for attending board/ committee meetings	3,00,000	1,50,000	4,50,000
2	(b) Commission	2,75,00,000	--	2,75,00,000
3	(c) Others, please specify.	--	--	--
	Total B(2)	2,78,00,000	1,50,000	2,79,50,000
	Total (B)=(B1+B2)			3,07,50,000
	Total Managerial Remuneration (A+B)			7,00,90,550
	Overall Ceiling as per the Act#			17,20,14,000

#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	Name of the Director		Total Amount
		Mr. Manish Gupta Chief Financial Officer	Mr. Ashok Kumar Gurnani, Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,61,58,365	53,32,026	2,14,90,391
2	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,15,512	3,348	1,18,860
	(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 (Employer's contribution to Provident Fund and Tax free Superannuation Fund)	6,72,432	4,07,987	10,80,419
	Total	1,69,46,309	57,43,361	2,26,89,670

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

(₹ in Lacs)

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			
		Compounding			
C. OTHER OFFICERS IN DEFAULT					
		Penalty			
		Punishment			
		Compounding			

NIL

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, 2019, the Board consists of Seven Directors of which One is Executive Director and Six 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 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 resigned from the Board of the Company w.e.f. June 11, 2018.

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

b) Board Meetings :

During the Financial Year 2018-19, Six Board Meetings were held on May 30, 2018, June 18, 2018, August 14, 2018, September 10, 2018, November 14, 2018 and February 13, 2019. 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, 2019 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 Directorships*	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	3 out of 6	No	5	1	1	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 1	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 Directorships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
Mr. Jitender Balakrishnan DIN: 00028320	Independent	6 out of 6	No	9	7	3	1. India Glycols Limited (Independent, Non-Executive) 2. Sarda Energy & Minerals Limited (Independent, Non-Executive) 3. Usha Martin Limited (Independent, Non-Executive) 4. Bharti Infratel Limited (Independent, Non-Executive) 5. CG Power and Industrial Solutions Limited (Independent, Non-Executive)
Ms. Pooja Haldea DIN: 07123158	Independent	6 out of 6	No	Nil	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	6 out of 6	No	Nil	Nil	Nil	Nil
B. Executive Director							
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	5 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) resigned from the Board of the Company w.e.f. June 11, 2018.

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 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 Governance	Understanding of the organizations, processes, strategic planning and risk management. 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, 2019
1	Mr. Sanjiv Saraf	3,25,138
2	Mr. Sanjiv Chadha	4,000
3	Dr. Suresh Inderchand Surana [#]	200

[#]Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board of the Company w.e.f. June 11, 2018.

d) Information placed before the Board includes :

The Board is supplied with the necessary minimum 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 by the concerned Head of Department 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 comprised of following Non-Executive Directors viz., Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana*, 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.

*Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committee of the Company w.e.f. June 11, 2018.

b) Meetings :

During the Financial Year 2018-19, Four meetings of Audit Committee were held on May 30, 2018, August 14, 2018, November 14, 2018 and February 13, 2019. 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	4 out of 4
Dr. Suresh Inderchand Surana*	1 out of 1
Ms. Pooja Haldea	4 out of 4
Mr. Jitender Balakrishnan	4 out of 4

*Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committee of the Company w.e.f. June 11, 2018.

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, include the following:

i. Powers :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. Role :

- 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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - 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 (w.e.f. from April 01, 2019)
- 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 2018-19, Four meetings of the Nomination and Remuneration Committee were held on May 30, 2018, August 14, 2018, November 14, 2018 and February 13, 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:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- 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.
- 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.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.(w.e.f. from April 1, 2019)
- 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.
- 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 2018-19:

Salary and Allowances	₹	3,48,00,000
PF, SA & Perquisites	₹	17,40,550
Total#	₹	3,65,40,550

#Includes Performance Award of ₹ 120.00 lacs for the Financial Year 2018-19, provided in the accounts which has been approved for payment by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Current tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2018 and ended 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.

The details of payment of Sitting Fee to Non-Executive Directors during the year 2018-19 are given below:

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

**Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committee of Directors of Polyplex Corporation Limited w.e.f. June 11, 2018.

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 ₹ 70.00 lacs during the year (2018-19) out of provision

made in the last year. Further, Board of Directors have approved payment of Commission of ₹ 275.00 Lacs for the Financial Year 2018-19 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 28, 2015.

Mr. Sanjiv Saraf has been appointed as Managing Director of Polyplex (Thailand) Public Company Limited, Thailand w.e.f. May 15, 2019.

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. Mr. Brij Kishore Soni is the Chairman of the Committee. Ms. Pooja Haldea was appointed as a member of Stakeholders' Relationship Committee w.e.f. April 1, 2019.

Consequent to the aforesaid changes, the current Stakeholders' Relationship Committee comprises of the following Directors:

1. Mr. Brij Kishore Soni as Chairman;
2. Mr. Pranay Kothari as Member; and
3. Ms. Pooja Haldea as Member

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

b) Role

- (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 2018-19, two such meetings were held on April 27, 2018 and August 31, 2018. All the meetings were attended by both 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 2018-19 is as follows:

Opening:	0
Received:	7
Resolved:	5
Pending:	2 (Since resolved)

As on March 31, 2019, 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: Karvy Fintech 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 Dr. Suresh Inderchand Surana. Mr. Sanjiv Saraf is the Chairman of the CSR Committee.

Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committee of Directors of the Company w.e.f. June 11, 2018 and Mr. Ranjit Singh, Non-Executive Independent Director was appointed as member of CSR Committee w.e.f. April 1, 2019.

Consequent to the aforesaid changes, the current CSR Committee comprises of the following Directors:

1. Mr. Sanjiv Saraf as Chairman
2. Mr. Brij Kishore Soni as Member; and
3. Mr. Ranjit Singh as Member

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

b) Role:

- (a) 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.
- (b) Recommend to the Board amount to be spent on various CSR activities in a year.
- (c) Recommend to Board pursuing of CSR activities either by Company itself or indirectly through an NGO.

- (d) Monitor the CSR policy of the Company from time to time.
- (e) To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

c) Meeting:

During the Financial Year 2018-19, one meeting of the CSR Committee was held on May 30, 2018 and the meeting was attended by all the members of the CSR Committee.

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 2018-19, Two meetings of the Finance Committee were held on April 27, 2018 and October 16, 2018. The Meetings were attended by all the members of the Finance Committee.

8. Risk Management Committee

(a) Composition:

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

(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.

*Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committee of Directors of the Company w.e.f. June 11, 2018.

9. Independent Directors, their meetings and Familiarization Programme

During the Financial Year 2018-19, Five Independent Directors served on the Board i.e. Mr. Brij Kishore Soni, Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh

However, Dr. Suresh Inderchand Surana (Independent Director) resigned from the Board/ Committees of Directors of the Company w.e.f. June 11, 2018, due to his pressing professional assignments and logistics constraints. Further, he has confirmed that there are no other material reasons other than this.

Mr. Ranjit Singh has been appointed as a director on the Board of Polyplex (Thailand) Public Co. Ltd. w.e.f. May 15, 2019.

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 August 14, 2018, 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
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.
31st AGM	2015-16	29.09.2016	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
March 30, 2019	<p>Extra Ordinary General Meeting:</p> <p>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.</p> <p>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.</p>
September 29, 2018	<p>Annual General Meeting:</p> <p>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 07, 2018</p>
2016-17/ September 11, 2017	No Special Resolution was required to be passed at the Annual General Meeting.
2015-16/ September 29, 2016	No Special Resolution was required to be passed at the Annual General Meeting.

(iii) Four Special Resolutions as proposed to be passed at the ensuing Annual General Meeting relating to:

- a) Appointment of Dr. Suresh Inderchand Surana as Independent Director for second term of five consecutive year w.e.f. July 10, 2019.
- b) Reappointment of Ms. Pooja Haldea as Independent Non-Executive Director for second term of five consecutive year w.e.f. March 30, 2020;
- c) Restructuring of Remuneration to Mr. Pranay Kothari, Whole-time Director of the Company for the period April 1, 2019 to September 6, 2021; and
- d) Payment of commission upto 1% p.a. of the Net Profit of the Company to Mr. Sanjiv Saraf, Non-Executive Non-Independent Director for the financial year 2019-20;

(iv) During the Financial Year 2018-19 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. 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.

14. Disclosures :

- a) During the year, there were no transactions of material nature with the related parties that had potential conflict with the interest of the Company at large.
- b) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- c) The Company has formulated Whistle Blower Policy 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.

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:

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

c) Whistle Blower Policy (Policy on vigil mechanism)

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

d) Policy on Related Party Transactions:

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

e) Policy for determining 'Material Subsidiaries':

http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.PDF

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

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

g) Familiarisation programme for Independent Directors:

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

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

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

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

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

j) Policy for preservation and archival of documents:

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

k) Policy for Dividend Distribution:

http://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distributionin_Policy_25072017.pdf

16. Details of total fee paid to Statutory Auditors

The details of total fee for all services paid by the Company and its subsidiaries during the year 2018-19, 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	66.58
Tax Audit Fee	3.00
Certification & Other Fees	6.45
Out of Pocket Expenses	2.17
Total	78.20

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 17, 2019.

19. Means of Communication

- Quarterly results/ returns and official news releases are furnished to Stock Exchanges and are also put on the Company's Website www.polyplex.com.
- The quarterly/ half yearly/ yearly results are widely published in leading newspaper such as 'Business Standard' (in English) and 'Uttar Ujala, Nainital' (in Hindi) within the prescribed time limit.
- 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 2018-19.

For and on behalf of the Board

Date : July 10, 2019
Place : Noida

Sd/-
Pranay Kothari
Executive Director

General Shareholders Information

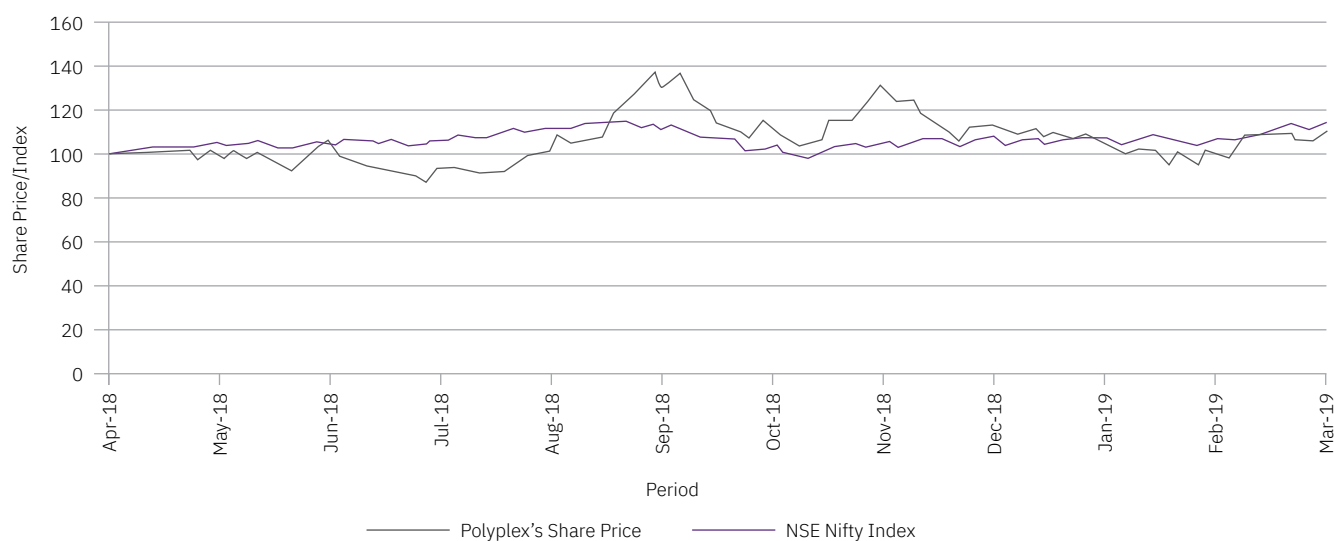
I. Annual General Meeting Date, Time and Venue :	September 5, 2019 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand
II. Financial Year:	April 1, 2018 to March 31, 2019
III. Book Closure Date:	August 29, 2019 to September 05, 2019 (both 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 2018-19 and 2019-20 has been paid to both the Stock Exchanges. Annual Custody charges for the Financial Year 2018-19 and 2019-20 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 2018-19 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
Apr-18	499.00	456.00	29,242	518.80	457.00	3,34,602
May-18	509.00	435.00	36,280	509.00	435.00	5,10,892
Jun-18	518.00	421.95	76,249	519.70	420.00	8,53,093
Jul-18	459.95	408.05	31,564	457.70	406.25	5,32,453
Aug-18	582.00	440.70	1,42,632	582.00	445.55	16,92,927
Sep-18	667.75	528.00	4,02,644	667.80	525.20	26,78,992
Oct-18	559.90	482.00	1,94,452	565.00	485.00	15,86,379
Nov-18	644.80	528.10	1,61,472	623.75	524.30	19,52,134
Dec-18	551.30	497.95	76,452	551.85	495.00	4,98,187
Jan-19	529.25	470.00	26,692	530.00	465.95	4,28,841
Feb-19	491.60	448.00	53,317	492.95	447.70	6,88,172
Mar-19	531.50	473.00	78,510	531.00	471.50	6,70,909
Total			13,09,506	Total		1,24,27,581

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

VIII. Stock Performance of the Company in comparison to NSE Nifty**Polyplex's share price movement vs. NSE Nifty Index (2018-19)****IX. Registrars and Share Transfer Agents (RTA):****Karvy Fintech Private Limited**

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500032
Tel: +91-40-67162222
Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
Website: www.karvy.com

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect by the Registrar and Transfer Agent viz: Karvy Fintech 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, 2019:**

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	13,779	88.66	1,53,74,310	4.81
5001 to 10000	808	5.20	64,46,400	2.02
10001 to 20000	412	2.65	64,97,560	2.03
20001 to 30000	133	0.86	33,33,880	1.04
30001 to 40000	87	0.56	31,26,840	0.98
40001 to 50000	64	0.41	30,08,060	0.94
50001 to 100000	106	0.68	76,18,950	2.38
100001 and above	153	0.98	27,44,40,000	85.80
Total	15,542	100%	3,19,846,000	100%

b). Categories of shareholders as on March 31, 2019

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	16,001,534	50.03
2. Non- Promoters		
a) Mutual Funds and UTI	15,32,318	4.79
b) Alternate Investment Funds	62,000	0.19
c) Banks, Financial Institutions, and Insurance Companies	92,000	0.29
d) Foreign Institutional Investors (FIIs)	685460	2.14
e) Bodies Corporates & NBFCs	44,86,432	14.03
f) NRIs/OCBs	21,39,030	6.69
g) Directors and Relatives	1000	0.01
h) Unclaimed Suspense a/c & IEPF	2,18,263	0.68
i) Indian Public	67,66,563	21.15
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, 2019 was 1,65,56,762 shares constituting 51.76%.
- ii) 2(h) above includes 6,800 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, 2019

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,86,67,410	89.63	8,726
Central Depository Services (India) Limited	30,09,793	9.41	5,795
Total Dematerialized	3,16,77,203	99.04	14,521
Physical	3,07,397	0.96	1,021
Grand Total	3,19,84,600	100.00	15,542

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.	345	60,300
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	309	53,500
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	36	6,800

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
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Independent Auditors' certificate on Corporate Governance

To
The Members of,
Polyplex Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **POLYPLEX CORPORATION LIMITED** ("the Company") for the year ended 31st March, 2019, as stipulated in Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

Management's Responsibility

The compliance of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to ensure the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the terms and conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2019.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered

Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2019 except that the Chairperson of Audit Committee could not attend the Annual General Meeting as required under Regulation 18(1)(d) of Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For S.S. KOTHARI MEHTA & COMPANY

Chartered Accountants
Firm Registration No. 000756N

Yogesh K. Gupta

Partner

Membership No. 093214

Place: Noida

Dated: July 10, 2019

Standalone Financial Statements



Independent Auditor's Report

**TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED**

Report on the Audit of the Standalone Ind-AS Financial Statements

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, 2019, and the Statement of Profit and Loss (Including other comprehensive income), 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 Companies Act, 2013("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, 2019, and the profit(including other comprehensive income), 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 Act. 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 Act 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.

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. 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	<p>Revenue Recognition:</p> <p>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to ₹ 134,765.56 Lacs.</p> <p>Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.</p> <p>Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, claims, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.</p> <p>Revenue represents a significant line item in the Statement of Profit and Loss account and also a key indicator of business performance.</p> <p>The risk is, therefore, that revenue may not be recognized in the correct period or that revenue is misstated.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and

whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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 Act, 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.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 on its financial position in its Financial Statements – Refer Note 44 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, 2019.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta

Partner

Place: Noida
Date: May 17, 2019

Membership No.:093214

“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, 2019, 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 freehold land 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 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 Act 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 Act 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 1st, 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 31st, 2019, 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:

Name of Statute	Name of Dues	Period	Amount	Amount Deposited	Forum where pending
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	1996-1997	28.08	9.69	High Court
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	1997-1998	32.75	4.20	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	1998-1999	29.05	-	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	2009-2010	1.34	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	2009-2010	0.98	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	2015-2016	7.82	-	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	2016-2017	0.43	0.43	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sale Tax	2017-2018	1.16	1.16	Deputy Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Commercial Tax	2011-2012	2.60	2.60	Asst. Commissioner (Commercial Tax)
The Central Sales Tax Act, 1944 and state VAT Act	VAT	2015-2016	1.32	0.13	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sales Tax	2015-2016	6.09	2.44	Jt. Commissioner (Appeal)
The Central Sales Tax Act, 1944 and state VAT Act	Sales Tax	2015-2016	87.26	34.91	Jt. Commissioner (Appeal)
The Central Excise Act, 1994	Excise Duty and Penalty	2014-2015	2.84	0.11	Commissioner
The Service Tax Act, 1994	Service Tax	2014-2015	140.25	5.26	Jt. Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2017-2018	54.52	2.04	Jt. Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	26.62	2.00	Jt. Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2016-17	3.35	-	Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	5.00	0.38	Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	1.00	0.08	Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	0.25	0.02	Commissioner (Appeal)
The Service Tax Act, 1994	Service Tax	2014-15	0.25	0.02	Commissioner (Appeal)
Goods & Service Tax Act	Goods & Service Tax	2017-2018	43.33	-	Deputy Commissioner (GST Division)
Goods & Service Tax Act	Goods & Service Tax	2017-2018	85.12	-	Deputy Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2016-2017	58.55	54.07	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2017-2018	3.29	1.29	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2014-2015	0.39	-	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2015-2016	2.02	-	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2016-2017	1.51	-	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2017-2018	0.35	-	Assistant Commissioner (GST Division)
The Central Excise Act, 1994	Excise Duty	2016-2017	0.78	-	Superintendent (GST Division)
The Central Excise Act, 1994	Excise Duty	2017-2018	0.61	-	Superintendent (GST Division)
The Service Tax Act, 1994	Service Tax	2014-2015	548.68	270.43	Appellate Tribunal
The Service Tax Act, 1994	Service Tax	2016-2017 & 2017-2018	0.45	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2017-2018	12.57	12.57	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2017-2018	0.37	0.37	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2013-2014	1.89	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2015-2016	5.65	3.52	Commissioner
The Service Tax Act, 1994	Service Tax	2014-2015	0.98	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2015-2016	2.22	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2016-2017	2.68	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2017-2018	0.89	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2013-2014	0.54	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2014-2015	0.64	-	Assistant Commissioner (GST Division)
The Service Tax Act, 1994	Service Tax	2016-2017	4.45	1.73	Assistant Commissioner (GST Division)

- 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. According 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 Act 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 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.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta

Partner

Membership No.:093214

Place: Noida

Date: May 17, 2019

“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, 2019 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 Act.

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 Act, 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, 2019, 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 & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta

Partner

Place: Noida

Date: May 17, 2019

Membership No.:093214

Standalone Balance Sheet

as at March 31, 2019

Particulars	Note No.	(₹ in Lacs)	
		As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non Current Assets			
a) Property, Plant and Equipment	4	32,700.54	31,620.40
b) Capital Work-in-Progress	4	367.00	220.43
c) Investment Properties	5	303.89	310.67
d) Intangible Assets	6	1.24	3.01
e) Financial Assets			
i) Investments	7	4,698.71	4,698.71
ii) Loans	8	923.05	830.65
f) Deferred Tax Assets (Net)	9	1,973.62	1,851.23
g) Other Non-Current Assets	10	1,539.17	1,691.44
Total Non Current Assets		42,507.22	41,226.54
2 Current Assets			
a) Inventories	11	16,434.20	13,695.20
b) Financial Assets			
i) Investments	12	800.83	-
ii) Trade Receivables	13	17,248.39	11,484.74
iii) Cash & Cash Equivalents	14	242.61	290.47
iv) Bank Balances Other than iii above	15	251.09	153.90
v) Loans	16	1,531.06	1,472.00
vi) Other Financial Assets	17	532.72	141.85
c) Current Tax Assets	18	600.47	454.34
d) Other Current Assets	19	4,154.58	6,067.61
Total Current Assets		41,795.95	33,760.11
TOTAL ASSETS		84,303.17	74,986.65
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share Capital	20	3,256.32	3,256.32
b) Other Equity	21	52,307.07	43,876.65
Total Equity		55,563.39	47,132.97
Liabilities			
2 Non Current Liabilities			
a) Financial Liabilities			
i) Borrowings	22	11,707.03	4,600.89
b) Provisions	23	293.36	211.66
c) Other Non Current Liabilities	24	82.99	161.10
Total Non Current Liabilities		12,083.38	4,973.65
3 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	25	7,079.24	13,391.43
ii) Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	26	-	-
Total Outstanding dues of Creditors other Than Micro Enterprises and Small Enterprises	26	2,098.16	1,592.20
iii) Other Financial Liabilities	27	6,398.74	6,335.27
b) Other Current Liabilities	28	865.43	1,402.21
c) Provisions	29	214.83	158.92
Total Current Liabilities		16,656.40	22,880.03
Total Liabilities		28,739.78	27,853.68
TOTAL EQUITY AND LIABILITIES		84,303.17	74,986.65
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 & Co

Chartered Accountants
(FRN: 000756N)

Pranay Kothari

Wholetime Director
DIN: 00004003

Brij Kishore Soni

Director
DIN: 00183432

Yogesh K Gupta

Partner
Membership No. 093214

Manish Gupta

Chief Financial Officer

Ashok Kumar Gurnani

Company Secretary
FCS : 2210

Place: Noida

Date: May 17, 2019

Place: Noida

Date: May 17, 2019

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I Revenue from Operations	30	1,34,765.56	1,10,437.65
II Other Income	31	19,190.57	6,398.28
III Total Income (I + II)		1,53,956.13	1,16,835.93
IV Expenses			
Cost of Materials Consumed	32	95,163.44	77,628.83
Purchases of Stock-in-trade		-	-
Changes in Inventories of Finished Goods and Work-in-Progress	33	(2,096.93)	(1,035.45)
Excise Duty		-	1,570.16
Employee Benefits Expense	34	8,209.60	6,994.12
Finance Costs	35	484.61	1,584.34
Depreciation and Amortisation Expense	36	4,507.21	4,750.96
Other Expenses	37	18,975.57	17,407.73
Total Expenses (IV)		1,25,243.50	1,08,900.69
V Profit / (Loss) Before Exceptional Items and Tax (III - IV)		28,712.63	7,935.24
VI Exceptional Items (Gain) / Loss		-	-
VII Profit / (Loss) Before Tax (V - VI)		28,712.63	7,935.24
VIII Tax Expense	38		
a) Current Tax		6,034.73	1,903.54
b) Deferred Tax		(130.50)	143.19
c) Earlier Year Tax		-	(1.25)
Total		5,904.23	2,045.48
IX Profit / (Loss) for the Year (VII - VIII)		22,808.40	5,889.76
X Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement of defined benefit obligations		23.20	37.52
Income tax expense on remeasurement of defined benefit obligations		(8.11)	(13.11)
Total Other Comprehensive Income		15.09	24.41
XI Total Comprehensive Income for the period (IX + X)		22,823.49	5,914.17
XII Earning Per Equity Share	51		
a) Basic (in ₹)		71.31	18.41
b) Diluted (in ₹)		71.31	18.41
Accompanying Notes to Standalone Financial Statements	1-57		

As per our report of even date

For S S Kothari Mehta & CoChartered Accountants
(FRN: 000756N)**Yogesh K Gupta**Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay KothariWholetime Director
DIN: 00004003**Manish Gupta**

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore SoniDirector
DIN: 00183432**Ashok Kumar Gurnani**Company Secretary
FCS : 2210

Standalone Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Year Ended March 31, 2019	Year ended March 31, 2018
I A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) Before Tax	28,712.63	7,935.24
Adjustments For :		
Depreciation & Amortization	4,507.21	4,750.96
Allowance for Doubtful Debts / Bad Debts Written Off	(2.24)	8.58
Finance Cost	484.61	1,584.34
Unrealised Exchange Difference (Gain) / Loss	(0.24)	44.96
Net Gain on Sale of Property, Plant & Equipment	34.11	(2.12)
Property Plant & Equipment Written off	0.01	17.51
Net Gain on Sale of Investments measured at FVTPL	(41.49)	(0.65)
Unrealised Gain on Investments measured at FVTPL	(0.83)	-
MTM (Gain) / Loss Derivative Financial Instruments measured at FVTPL	(677.45)	350.43
Decrease of Inventory to Net Realisable Value (Reversal)	(5.63)	(1.00)
Interest Income	(301.87)	(340.45)
Dividend Income	(16,984.05)	(4,513.94)
Operating Profit Before Working Capital Changes	(12,987.86)	1,898.62
Working Capital Adjustments:	15,724.77	9,833.86
Trade Receivables	(6,158.48)	(2,863.10)
Other Financial Assets	(542.33)	52.97
Other Non Financial Assets	1,909.81	(3,721.14)
Inventories	(2,733.37)	(1,713.41)
Trade Payables	504.17	254.00
Other Financial Liabilities	1,267.75	227.71
Other Non Financial Liabilities	(614.89)	642.66
Provisions	137.61	13.95
Cash Generated From Operations	9,495.04	2,727.50
Taxes Paid	(6,180.86)	(1,517.68)
Cash Flow Before Exceptional Items	3,314.18	1,209.82
Exceptional Items	-	-
Net Cash From Operating Activities	3,314.18	1,209.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(5,530.55)	(2,764.08)
Sale of Property, Plant & Equipment	43.89	14.15
Purchase of Short Term Investments	(1,29,410.00)	(2,200.00)
Sale of Short Term Investments	1,28,651.49	2,200.65
Dividend Received	16,984.05	4,513.94
Interest Received	334.19	420.14
Net Cash Used in Investing Activities	11,073.07	2,184.80
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	10,000.00	5,000.00
Repayment of Long Term Borrowings	(3,737.82)	(4,929.76)
Net Proceeds From Short Term Borrowings	(5,913.09)	1,177.55
Interest Paid	(488.32)	(1,650.63)
Dividends Paid	(14,295.88)	(2,854.96)
Net Cash Used In Financing Activities	(14,435.11)	(3,257.80)
Net Increase in Cash And Cash Equivalents	(47.86)	136.82
Cash and Cash Equivalents at the beginning of the year	290.47	153.65
Cash and Cash Equivalents at the end of the year	242.61	290.47
II Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 14):		
Balance with banks		
Current Accounts	230.48	284.66
Cash on hand	12.13	5.81
Total	242.61	290.47

Standalone Cash Flow Statement

for the year ended March 31, 2019

III Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 2018	Cash Flows	Non Cash Change	As at March 31, 2019
Non Current Borrowings	8,421.82	6,262.18	-	14,684.00
Current Borrowings	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

(₹ in Lacs)

Particulars	As at March 31, 2017	Cash Flows	Non Cash Change	As at March 31, 2018
Non Current Borrowings	8,694.72	70.24	(343.14)	8,421.82
Current Borrowings	11,797.34	1,177.55	416.54	13,391.43
Interest Accrued	32.17	(1,650.63)	1,632.44	13.98
Dividend and Taxes Thereon	128.04	(2,854.96)	2,878.61	151.69

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 S S Kothari Mehta & Co

Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta

Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari

Wholetime Director
DIN: 00004003

Manish Gupta

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore Soni

Director
DIN: 00183432

Ashok Kumar Gurnani

Company Secretary
FCS : 2210

Statement of Standalone Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Lacs)
		Amount
As at April 1, 2017	3,19,84,600	3,256.32
Changes in Equity Share Capital during 2017-18	-	-
As at March 31, 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

B. Other Equity

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities premium reserve	General Reserve	Retained earnings	
As at April 01, 2017	250.80	2,348.20	5,855.10	32,386.99	40,841.09
Profit for the year	-	-	-	5,889.76	5,889.76
Other Comprehensive Income / (Loss) for the year	-	-	-	24.41	24.41
Total Comprehensive Income / (Loss) for the year	-	-	-	5,914.17	5,914.17
Transaction with Owners, recorded directly in Equity	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	(2,878.61)	(2,878.61)
Transfer to General Reserve	-	-	100.00	(100.00)	-
As at March 31, 2018	250.80	2,348.20	5,955.10	35,322.55	43,876.65
As at April 01, 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
Transaction 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

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 & Co**Chartered Accountants
(FRN: 000756N)**Pranay Kothari**Wholetime Director
DIN: 00004003**Brij Kishore Soni**Director
DIN: 00183432**Yogesh K Gupta**Partner
Membership No. 093214**Manish Gupta**

Chief Financial Officer

Ashok Kumar GurnaniCompany Secretary
FCS : 2210

Place: Noida

Date: May 17, 2019

Place: Noida

Date: May 17, 2019

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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 ("NSE") and the 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 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 17th May, 2019.

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) Change in accounting policy

- Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind-AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 1st April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

- The Company has adopted Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration with effect from 1st April 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April 2018 and the impact on implementation of the Appendix is immaterial.

(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.

(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 are 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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 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

A lease is classified at the inception date as a finance lease or operating lease. Leases are classified as finance leases whenever the terms of the lease that transfers substantially all the risks and rewards incidental to company is classified as finance lease. All other leases are classified as operating leases.

(i) As a lessee

Finance lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note 2(h) below).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate

Notes to Standalone Financial Statements

for the year ended March 31, 2019

for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(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.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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.

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., 1 April 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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 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

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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 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

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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.

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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 18 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 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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.

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

Notes to Standalone Financial Statements

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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.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

(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. 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, 2019

Note 4. Property, Plant and Equipment:

Particulars	Gross Carrying Amount			Depreciation & Amortisation			Net Carrying Amount	
	As at April 1, 2018	Additions during the year	Sale / adjustments	As at April 1, 2018	For the year	Sale / Adjustments	As at March 31, 2019	As at March 31, 2018
	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land	1,693.09	-	-	-	-	-	1,693.09	1,693.09
Buildings	13,192.70	786.26	-	6,200.77	485.46	-	7,292.73	6,991.93
Plant & Machinery	76,482.04	4,633.85	155.33	54,203.96	3,801.33	77.59	23,032.86	22,278.08
Electrical Installations	2,108.87	56.98	-	1,867.21	70.08	-	228.56	241.66
Furniture & Fixtures	489.11	36.97	-	415.57	17.49	-	93.02	73.54
Office Equipments	1,246.03	142.75	0.23	1,039.56	91.93	0.21	257.27	206.47
Vehicles	356.75	-	4.90	221.12	32.37	4.65	103.01	135.63
Total	95,568.59	5,656.81	160.46	63,948.19	4,498.66	82.45	32,700.54	31,620.40
Capital Work-in-Progress	220.43	5,155.29	5,008.72	-	-	-	367.00	220.43
Total	95,789.02	10,812.10	5,169.18	63,948.19	4,498.66	82.45	33,067.54	31,840.83

Note:

- Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney .
- Addition to Plant & Machinery and Building includes ₹ 10.18 (FY - 2017-18; ₹ Nil) on account of Interest on Loans
- For Security Clause, refer Note No. 22 and 25

Particulars	Gross Carrying Amount			Depreciation & Amortisation			Net Carrying Amount	
	As at April 1, 2017	Additions during the year	Sale / adjustments	As at April 1, 2017	For the year	Sale / Adjustments	As at March 31, 2018	As at March 31, 2017
	₹	₹	₹	₹	₹	₹	₹	₹
Freehold Land	1,693.09	-	-	-	-	-	1,693.09	1,693.09
Buildings	13,146.82	51.00	5.12	5,686.15	517.43	2.81	6,200.77	7,460.67
Plant & Machinery	75,337.81	1,188.07	43.84	50,269.76	3,961.65	27.45	22,278.08	25,068.05
Electrical Installations	2,112.89	7.68	11.70	1,779.87	98.51	11.17	241.66	333.02
Furniture & Fixtures	479.58	9.76	0.23	397.04	18.53	-	73.54	82.54
Office Equipments	1,249.89	90.13	93.99	1,022.17	102.84	85.45	206.47	227.72
Vehicles	364.84	22.73	30.82	213.65	36.75	29.28	135.63	151.19
Total	94,384.92	1,369.37	185.70	59,368.64	4,735.71	156.16	31,620.40	35,016.28
Capital Work-in-Progress	10.28	1,429.48	1,219.33	-	-	-	220.43	10.28
Total	94,395.20	2,798.85	1,405.03	59,368.64	4,735.71	156.16	31,840.83	35,026.56

Note:

- Freehold Land costing ₹ 8.79 Lacs is under Power of Attorney .
- Addition to Plant & Machinery and Building includes ₹ Nil (FY - 2016-17; ₹ 1.31 Lacs, FY - 2015-16; ₹ Nil) on account of Interest on Loans
- For Security Clause, refer Note No. 22 and 25

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 5. Investment Property:

Particulars	Gross Carrying Amount		Depreciation & Amortisation		Net Carrying Amount	
	As at April 1, 2018	As at April 1, 2019	As at April 1, 2018	For the year	As at March 31, 2019	As at March 31, 2018
Building	434.41	434.41	123.74	6.78	130.52	310.67
Total	434.41	434.41	123.74	6.78	130.52	310.67

(₹ in Lacs)

Particulars	Gross Carrying Amount		Depreciation & Amortisation		Net Carrying Amount	
	As at April 1, 2017	As at March 31, 2018	As at April 1, 2017	For the year	As at March 31, 2018	As at March 31, 2017
Building	434.41	434.41	116.96	6.78	123.74	317.45
Total	434.41	434.41	116.96	6.78	123.74	317.45

(₹ in Lacs)

Note:

1. Investment Property consist of building located in state of Uttar Pradesh

2. Amount recognised in standalone Statement of Profit and Loss:

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Rental Income	275.14	260.53
Direct operating expenses from property that generated rental income	163.11	138.22
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	112.03	122.31
Depreciation	6.78	6.78
Profit from investment properties	105.25	115.53

(₹ in Lacs)

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

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
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:

Particulars	Gross Carrying Amount		Depreciation & Amortisation		Net Carrying Amount	
	As at April 1, 2018	As at March 31, 2019	For the year	Sale / Adjustments	As at March 31, 2019	As at March 31, 2018
Computer Software	140.50	140.50	1.77	-	139.26	3.01
Total	140.50	140.50	1.77	-	139.26	3.01

Particulars	Gross Carrying Amount		Depreciation & Amortisation		Net Carrying Amount	
	As at April 1, 2017	As at March 31, 2018	For the year	Sale / Adjustments	As at March 31, 2018	As at March 31, 2017
Computer Software	140.50	140.50	8.47	-	137.49	11.48
Total	140.50	140.50	8.47	-	137.49	11.48

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 36. Depreciation and Amortisation Expense:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Depreciation on Property, Plant & Equipment(Refer Note: 4)	4,498.66	4,735.71
Depreciation on Investment Property (Refer Note: 5)	6.78	6.78
Amortization of Intangible Assets (Refer Note: 6)	1.77	8.47
Total	4,507.21	4,750.96

Note 7. Non-Current Investments:

Particulars	(₹ in Lacs)			
	No. of Shares As at March 31, 2019	As at March 31, 2019	No. of Shares As at March 31, 2018	As at March 31, 2018
Investment in Subsidiary Companies (At cost less impairment)				
(Equity Instruments - Quoted)				
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)				
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		52,632.78		49,754.17
Aggregate of Unquoted Investments (At Cost less Impairment)		463.83		463.83

Note 8. Non-Current Loans:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Security Deposits	923.05	830.65
Total	923.05	830.65
Break up of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	923.05	830.65
Loans Which Have Significant Increase in Credit Risk	-	-
Loans Credit Impaired	-	-
Total	923.05	830.65

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 9. Deferred Tax Assets (Net):

(₹ in Lacs)

Particulars	As At March 31, 2019	As At March 31, 2018
Deferred Tax Assets		
Capital Loss	314.45	328.65
Provision for Employee Benefits	177.58	129.49
Allowance for Doubtful Debts	11.16	14.16
Others	18.58	167.75
MAT Credit Entitlement	1,776.82	1,481.25
Sub Total (a)	2,298.59	2,121.30
Deferred Tax Liabilities		
Property Plant & Equipment	(214.13)	(256.96)
Others	(102.73)	-
Remeasurement of defined benefit obligations	(8.11)	(13.11)
Sub Total (b)	(324.97)	(270.07)
Total (a) + (b)	1,973.62	1,851.23

Movement in Deferred Tax

(₹ 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

(₹ in Lacs)

Particulars	As At March 31, 2017	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As At March 31, 2018
Deferred Tax Assets					
Capital Loss	325.49	3.16	-	-	328.65
Provision for Employee Benefits	123.42	6.07	-	-	129.49
Allowance for Doubtful Debts	11.06	3.10	-	-	14.16
Others	175.24	(7.49)	-	-	167.75
MAT Credit Entitlement	1,981.31	-	-	(500.06)	1,481.25
Sub Total (a)	2,616.52	4.84	-	(500.06)	2,121.30

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Movement in Deferred Tax (Contd..)

(₹ in Lacs)					
Particulars	As At March 31, 2017	Recognized in P&L	Recognized in OCI	MAT Credit Utilized	As At March 31, 2018
Deferred Tax Liabilities					
Property Plant & Equipment	(122.05)	(134.91)	-	-	(256.96)
Others	-	-	-	-	-
Remeasurement of defined benefit obligations	13.12	(13.12)	(13.11)	-	(13.11)
Sub Total (b)	(108.93)	(148.03)	(13.11)	-	(270.07)
Total (a) + (b)	2,507.59	(143.19)	(13.11)	(500.06)	1,851.23

Note 10. Other Non-Current Assets:

(₹ in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Capital Advances	1,183.47	1,329.84
Prepaid Expenses	355.70	361.60
Total	1,539.17	1,691.44

Note 11. Inventories:

(₹ in Lacs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials (incl stock in transit of ₹ 1,266.79 Lacs, FY - 2017-18: 900.73 Lacs)	7,221.52	6,975.78
Work-in-Progress	1,880.81	1,292.69
Finished Goods (incl stock in transit of ₹ 1,329.32 Lacs, FY - 2017-18: ₹ 1,000.42 Lacs)	5,151.71	3,642.90
Stores & Spares	2,180.16	1,783.83
Total	16,434.20	13,695.20

Notes

- (i) The cost of inventories recognised as an expense during the year amounts to ₹ 111,756.86 Lacs (FY - 2017-18: ₹ 92,893.34 Lacs)
- (ii) The cost of inventories recognised as an expense includes ₹ 5.63 Lacs (reversal of write down), FY - 2017-18: ₹ 1.00 Lacs (reversal of write down) in respect of written downs of inventory to net realizable value. Previous write-downs have been reversed as a result of increase in Net Realisable Value.
- (iii) The method of valuation of inventories has been stated in Note 2 (m)
- (iv) For Security Clause, refer Note No. 22 and 25

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 12. Current Investments:

(₹ in Lacs)

Particulars	No. of units As at March 31, 2019	Figures as at March 31, 2019	As at March 31, 2018
Investments in Mutual Funds			
Quoted			
At Fair Value Through Profit and Loss Account			
Reliance - Direct Plan Growth Plan - Growth Option (LFAGG)	17,554.885	800.83	-
Total		800.83	-
Aggregate of Quoted Investments and market value thereof		800.83	-

Note 13. Trade Receivables:

(₹ in Lacs)

Particulars	As At March 31, 2019	As At March 31, 2018
Trade Receivables, Unsecured	17,285.84	11,525.27
Significant increase in credit risk	-	-
Credit impaired	-	-
Less: Allowance for Doubtful Debts	(37.45)	(40.53)
Total	17,248.39	11,484.74
Break up Trade Receivables		
Trade Receivables Considered Good	17,248.39	11,484.74
Trade Receivables Considered Doubtful	37.45	40.53
Less Allowance for Doubtful Debts	(37.45)	(40.53)
Total	17,248.39	11,484.74

Note:

- (i) The above receivables include, receivables from Related Parties: ₹ 3,360.96 Lacs, FY - 2017-18: ₹ 1,026.67 Lacs
- (ii) For Security Clause, refer Note No. 22 and 25
- (iii) Refer Note No. 40

Note 14. Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with banks		
Current Accounts	230.48	284.66
Cash on hand	12.13	5.81
Total	242.61	290.47

Note 15. Other Bank Balances:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked Balances with Banks		
Unclaimed Dividend Accounts	248.88	151.69
Fixed Deposits (Lien with Banks)	2.21	2.21
Total	251.09	153.90

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 16. Current Loans:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Security Deposits *	81.06	22.00
Loans to Related Party		
Considered Good	1,450.00	1,450.00
Considered Doubtful	-	-
Less: Allowance for doubtful loans	-	-
Total	1,531.06	1,472.00
Breakup of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	1,531.06	1,472.00
Loans Which Have Significant Increase in Credit Risk	-	-
Loans Credit Impaired	-	-
Total	1,531.06	1,472.00

Refer Note No. 40

* Includes amount paid to Related Party Refer Note No: 43

Note 17. Other Financial Assets (Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Derivative Financial Instruments	477.40	26.41
Interest Accrued on Loan and Deposits	20.61	52.93
Rent Receivable		
From Related Party	13.15	25.72
From Others	21.56	36.79
Total	532.72	141.85

Note 18. Current Tax Assets:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Advance Income Tax	600.47	454.34
(Net of Provisions of ₹ 8,791.96 Lacs, FY - 2017-18: ₹ 3,497.62 Lacs)		
Total	600.47	454.34

Note 19. Other Current Assets:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good unless otherwise stated)		
Prepaid Expenses	314.93	374.49
Balance with Government Authorities	1,894.04	3,706.96
Export Benefit Receivables	815.88	661.11
Advances to Suppliers and Others	999.77	1,214.01
Employee Advance	129.96	111.04
Total	4,154.58	6,067.61

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 20. Share Capital:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
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

No of Shares

Particulars	As at March 31, 2019	As at March 31, 2018
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	As at March 31, 2019	As at March 31, 2018
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 IL & FS Trust Company Ltd	20,81,781	39,82,674

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.

Note 21. Other Equity:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Share Warrants Forfeited		
Balance at Beginning of the Year	250.80	250.80
Addition during the Year	-	-
Balance at End of the Year (a)	250.80	250.80

Share Warrants Forfeited account shall be utilized as per provisions of Companies Act, 2013

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 21. Other Equity: (Contd..)

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Securities Premium		
Balance at Beginning 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.

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
General Reserve		
Balance at Beginning of the Year	5,955.10	5,855.10
Transferred from Profit and Loss	250.00	100.00
Balance at the End of the Year (c)	6,205.10	5,955.10

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	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Retained Earnings		
Balance at Beginning of the Year	35,322.55	32,386.99
Profit for the Year	22,808.40	5,889.76
Other Comprehensive Income	15.09	24.41
Dividend Paid	(14,393.07)	(2,878.61)
Transferred to General Reserve	(250.00)	(100.00)
Balance at End of the Year (d)	43,502.97	35,322.55

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.

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Total (a + b + c + d)	52,307.07	43,876.65

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):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Secured Term Loans From Banks		
Rupee Term Loan	14,684.00	4,926.72
Foreign Currency Term Loan	-	3,495.10
Sub Total (a)	14,684.00	8,421.82

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 22. Borrowings (Non-Current): (Contd..)

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Less: Current Portion (Refer Note No. 27)		
Rupee Term Loan	2,976.97	325.83
Foreign Currency Term Loan	-	3,495.10
Sub Total (b)	2,976.97	3,820.93
Total (a - b)	11,707.03	4,600.89

Loans are secured as under:

Term Loans of ₹ 14,687.50 Lacs (FY 2017-18: ₹ 8,495.10 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 Processing Fees of ₹ 3.50 Lacs, (FY 2017-18: ₹ 73.28 Lacs)

Refer Note No. 40

Loans are repayable as under:

Particulars	No of Equal Instalments	Frequency	(₹ in Lacs)
			Period From - To
5,000.00	19.00	Quarterly	2019-20 - 2023-24
5,000.00	16.00	Quarterly	2019-20 - 2023-24
4,687.50	15.00	Quarterly	2019-20 - 2022-23

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. Provisions (Non-Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Provision for Compensated Absences	293.36	211.66
Total	293.36	211.66

Note 24. Other Liabilities (Non-Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Deferred Government Grants	82.99	161.10
Total	82.99	161.10

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 ₹ 233.21 Lacs (FY 2017-18: ₹ 97.39 Lacs) was released from deferred income to the Statement of Profit and Loss on fulfilment 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 industries in specified area. During the year, an amount of ₹ 6.67 Lacs (FY 2017-18: ₹ 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, 2019

Note 25. Borrowings (Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Secured Loans*		
Working Capital Demand Loans from Banks	5,202.74	6,319.38
Bank Cash Credit Account	1,099.38	461.70
	6,302.12	6,781.08
Unsecured Loans		
Working Capital Demand Loans from Banks	777.12	6,610.35
	777.12	6,610.35
Total	7,079.24	13,391.43

*Short Term Borrowing in the form of Working Capital Loans & Buyer's Credit from Banks aggregating to ₹ 6,302.12 Lacs (FY 2017-18: ₹ 6,781.08 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. 40

Note 26. Trade Payables:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Total Outstanding dues of		
Micro Enterprises and Small Enterprises (Refer Note No: 49)	-	-
Creditors other Than Micro Enterprises and Small Enterprises *	2,098.16	1,592.20
Total	2,098.16	1,592.20

* Amount payable to Related Party Refer Note No: 43

Refer Note No. 40

Note 27. Other Financial Liabilities:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Current Maturity of Non-Current Borrowings *	2,976.97	3,820.93
Interest accrued but not due	10.27	13.98
Security Deposits **	94.74	102.42
Unclaimed Dividend ***	248.88	151.69
Capital Creditors	152.64	26.18
Derivative Financial Instruments	93.60	320.05
Other liabilities ****	2,821.64	1,900.02
Total	6,398.74	6,335.27

*Refer Note No: 22

**Including related party (Refer Note No: 43)

***On due, will be transferred to Investor Education and Protection Fund

****Includes expenses payable

Refer Note No. 40 for Financial Instrument by Category

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 28. Other Liabilities (Current):

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability **	592.76	1,118.70
Statutory Liabilities	186.00	196.84
Deferred Government Grants	86.67	86.67
Total	865.43	1,402.21

* Includes amount received from Related Party Refer Note No: 43

An amount of ₹ 1,118.70 Lacs had been recognised as income during the year that was included in the contract liability balance at beginning of the period

Note 29. Provisions (Current):

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Compensated Absences	214.83	158.92
Total	214.83	158.92

Refer Note No. 42

Note 30. Revenue From Operations:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Detail of Disaggregation of Revenue from Contract with Customers based on nature of products		
Sale of Products (including Excise Duty)		
Plastic Film	1,21,584.94	99,915.70
Resins	9,229.60	7,373.41
Others	1,900.03	1,387.82
Sub-Total (a)	1,32,714.57	1,08,676.93
Other Operating Revenues		
Export Incentive	2,050.99	1,760.72
Sub-Total (b)	2,050.99	1,760.72
Total (a + b)	1,34,765.56	1,10,437.65
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	1,35,063.41	1,10,181.80
Adjustments made to contract price on account of:		
a) Discounts and Rebates	(2,348.84)	(3,075.03)
b) Other Operating Revenue	-	-
c) Excise duty on Sale of Goods	-	1,570.16
Revenue from contracts with customer as per the Standalone Statement of Profit and Loss	1,32,714.57	1,08,676.93

Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the current year are not comparable with those of year ended March 31, 2018.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 31. Other Income:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on Financial Assets measured at amortized cost		
From Customers	103.79	59.73
From Loans and Deposits	198.08	280.72
Dividend Income from Subsidiaries	16,984.05	4,513.94
Rental Income from Investment Property	275.14	260.53
Net Gain on Sale of Investments measured at FVTPL	41.49	0.65
Allowance for Expected Credit Loss	3.08	-
Net Gain on Foreign Currency Transactions	414.73	734.78
Net Gain on Sale of Property, Plant & Equipment	-	2.12
Income from Government Grants	249.88	104.06
MTM Gain on Derivative Financial Instruments measured at FVTPL	677.45	-
Other Non Operating Income	242.88	441.75
Total	19,190.57	6,398.28

Note 32. Cost Of Materials Consumed:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material	91,861.61	74,485.41
Packing Material	3,301.83	3,143.42
Total	95,163.44	77,628.83

Note 33. Changes in Inventories:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock		
Finished Goods	3,642.90	2,904.01
Work-in-Progress	1,292.69	1,088.80
	4,935.59	3,992.81
Closing Stocks		
Finished Goods	5,151.71	3,642.90
Work-in-Progress	1,880.81	1,292.69
	7,032.52	4,935.59
Add : Increase / (Decrease) in Excise Duty on Stocks	-	(92.67)
Net Changes in Inventories	(2,096.93)	(1,035.45)

Note 34. Employee Benefits Expense:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus *	6,927.67	6,011.85
Contribution to Provident and other Funds	664.39	429.66
Staff Welfare Expenses	617.54	552.61
Total	8,209.60	6,994.12

*Includes amount paid to Related Party Refer Note No: 43

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 35. Finance Costs:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on Financial Liabilities measured at Amortized Cost	382.90	638.37
Exchange Differences regarded as an adjustment to Interest Cost	-	814.76
Other Borrowing Cost	101.71	131.21
Total	484.61	1,584.34

Note 37. Other Expenses:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Stores and Spares Consumed	2,357.79	1,731.77
Power and Fuel	8,165.49	6,887.61
Repairs and Maintenance		
Building	44.79	114.39
Property, Plant & Equipment	245.09	221.87
Others	18.52	39.95
Rent	147.31	148.98
Insurance	368.25	339.45
Rates & Taxes	35.61	27.63
Freight	4,531.33	4,477.36
Other Selling Expenses	244.32	301.21
Legal & Professional Expenses	425.43	339.02
Auditor's Remuneration	58.62	34.22
Travelling & Conveyance	905.27	1,084.76
Directors' Commission	275.00	70.00
Directors' Sitting Fee	32.50	31.50
Allowance for Expected Credit Loss	-	8.58
Bad Debts	0.84	-
Donation	3.38	0.48
Corporate Social Responsibility Expenditure	88.42	69.80
Property Plant & Equipment Written off	0.01	17.51
MTM Loss on Derivative Financial Instruments measured at FVTPL	-	350.43
Loss on on Sale of Property, Plant & Equipment	34.11	-
Miscellaneous Expenses	993.49	1,111.21
Total	18,975.57	17,407.73

Note 38. Tax Expense:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax expense		
Current Year	6,034.73	1,903.54
Tax of earlier years provided / written back	-	(1.25)
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	(130.50)	143.19
Total	5,904.23	2,045.48

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Reconciliation of effective tax rate

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Net Profit before Taxes	28,712.63	7,935.24
Tax using the Company's domestic tax rate (34.608%)	10,033.34	2,746.23
Changes in taxes on account of:		
Weighted deduction on Research and Development Expenditure	(207.07)	(205.08)
Effect of accounting of tax holiday period	(1,279.58)	(534.98)
Tax of income that is taxable at special rates	(2,568.89)	(505.18)
Effect of expenses that are non-deductible and others	(73.57)	545.74
Tax of earlier years provided / written back	-	(1.25)
Total	5,904.23	2,045.48
Effective Tax Rate as reported in Profit & Loss Account	20.56%	25.78%

Note 39. 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 analyse 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 compliance 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 risk: Currency Rate Risk, Interest Rate Risk and other Price Risks, such as Commodity Risk. The Company enters into the derivative contracts as approved by the 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 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. Dollar (USD) and Euro (EUR). The Company's exposure to foreign currency changes for all other currencies is not material.

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).

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Foreign Currency Risk Exposure is presented as under:

Currency	Financial Assets			
	As At March 31, 2019		As At March 31, 2018	
	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	61,24,828	4,236.01	68,54,529	4,457.78
EURO	43,33,756	3,367.00	31,65,723	2,551.96

Currency	Financial Assets			
	As At March 31, 2019		As At March 31, 2018	
	Fx	₹ in Lacs	Fx	₹ in Lacs
USD	38,38,692	2,655.66	96,50,664	6,278.14
EURO	46,86,216	3,641.76	95,47,853	7,698.64
GBP	1,560	1.41	-	-
JPY	55,700	0.35	-	-

The following Sensitivity Analysis demonstrates the sensitivity in the USD, EURO and JPY to the Indian Rupee with all other variables held constant.

Particulars	Change in currency exchange rate	Effect on Profit Before Tax	
		FY 2018-19	FY 2017-18
		(₹ in Lacs)	
USD	5%	(79.02)	(154.04)
	-5%	79.02	154.04
Euro	5%	13.74	(262.50)
	-5%	(13.74)	262.50

Note: This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in 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, 2019	As at March 31, 2018
			Amount (Fx)	
Forward Contracts	USD / INR	USD	37,50,000	22,79,711
Forward Contracts	EURO / INR	EUR	17,50,000	10,22,468
Forward Contracts	INR / USD	USD	-	4,12,483
Currency Cum Interest Rate Swap	USD / EURO	EURO	-	21,74,106
Currency Cum Interest Rate Swap	INR / EURO	EURO	1,85,74,260	65,35,093
Interest Rate Swap	INR / USD	USD	-	5,30,693

Notes to Standalone Financial Statements

for the year ended March 31, 2019

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 fixed deposits 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 views 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 as reported to management of Company is as follows:

Particulars	Total borrowings	Floating rate borrowings	(₹ in Lacs)	
			Fixed rate borrowings	
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
As at March 31, 2018				
INR	8,111.70	5,000.00		3,111.70
USD	6,083.06	2,425.82		3,657.24
Euro	7,691.76	1,069.27		6,622.49
Total	21,886.52	8,495.09		13,391.43

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.

Particulars	Increase / Decrease in Basis Points	(₹ in Lacs)	
		Effect on profit before tax	
		FY 2018-19	FY 2017-18
INR Borrowings	0.5%	(23.44)	(25.00)
	-0.5%	23.44	25.00
USD Borrowings	0.5%	-	(12.13)
	-0.5%	-	12.13
Euro Borrowings	0.5%	-	(5.35)
	-0.5%	-	5.35

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2019

For credit risk exposures, Refer Note No. 7-8,12-17 of the Financial Statements.

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 extension of 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. 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:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Ageing of Gross Carrying Amount		
Not Due	15,636.81	10,387.61
Upto 6 Months	1,611.12	1,045.25
6 to 12 Months	0.46	51.88
Above 12 Months	37.45	40.53
Gross Carrying Amount	17,285.84	11,525.27
Allowance for Doubtful Debts	37.45	40.53
Net Carrying Amount	17,248.39	11,484.74

Reconciliation of Loss allowance provision

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the Beginning	(40.53)	(31.95)
Impairment Loss Reversed	8.58	-
Additional Provision Created / Reversed	(5.50)	(8.58)
Balance at the end	(37.45)	(40.53)

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, 2019

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 on-going 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 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 Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

Particulars	(₹ in Lacs)				
	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	Total
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
As at March 31, 2018					
Interest bearing borrowings (including current maturities)	21,886.53	16,187.35	1,094.79	4,604.39	21,886.53
Financial derivatives	320.05	320.05	-	-	320.05
Other liabilities	2,194.29	2,194.29	-	-	2,194.29
Trade Payables	1,592.20	1,592.20	-	-	1,592.20
Total	25,993.07	20,293.89	1,094.79	4,604.39	25,993.07

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, share premium and all other equity reserves. Debt includes, interest bearing loans and borrowings, trade payables and other financial liability.

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, 2019

The ratios at March 31, 2019 and March 31, 2018 are as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	3,256.32	3,256.32
Other Equity	52,307.07	43,876.65
Total Equity (A)	55,563.39	47,132.97
Non-Current Borrowings	11,707.03	4,600.89
Current Borrowings	7,079.24	13,391.43
Current Maturities of Non-Current Borrowings	2,976.97	3,820.93
Gross Debt (B)	21,763.24	21,813.25
Total Capital (A+B)	77,326.63	68,946.22
Gross Debt as Above	21,763.24	21,813.25
Less: Cash & Cash Equivalents	242.61	290.47
Less: Other balances with bank	251.09	153.90
Net Debt (C)	21,269.54	21,368.88
Net Debt to Equity	38%	45%

Note 40. Financial Instruments (By Category):

a. Financial Assets and Liabilities (By Category)

Financial Asset

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Financial assets - Fair value through profit and loss		
Derivatives		
Forward contracts and swaps	477.40	26.41
Financial assets - Amortised cost		
Investments	800.83	-
Trade receivables	17,248.39	11,484.74
Loans	2,454.11	2,302.65
Cash and bank balances	493.70	444.37
Other financial assets	55.32	115.44
Investment in Subsidiary Companies *	4,698.71	4,698.71
TOTAL	26,228.46	19,072.32

* Investment in Subsidiary Companies are valued at cost

Financial Liability

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Financial liabilities - Fair value through profit or loss		
Derivatives		
Forward contracts and swaps	93.60	320.05
Financial liabilities - Amortised cost		
Term Loan	14,684.00	8,421.82
Cash Credits/Working Capital Borrowing	7,079.24	13,391.43
Trade payables	2,098.16	1,592.20
Other financial liabilities	3,328.17	2,194.29
TOTAL	27,283.17	25,919.79

Notes to Standalone Financial Statements

for the year ended March 31, 2019

b. Fair value Financial Assets and Liabilities

Particulars	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
(₹ in Lacs)			
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	
As at March 31, 2018			
Financial assets			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		26.41	
Financial liabilities			
Derivatives - not designated as hedging instruments			
Forward contracts and swaps		320.05	

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 Dealers 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 41. 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 42. Employee Benefits (Ind-AS 19):

a. Defined Contribution Plan

Contribution to Defined Contribution Plan recognised and charged off / debited to Statement of Profit and Loss are as under:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution to Provident Fund	316.71	264.06
Employer's Contribution to Superannuation Fund	86.71	70.68

Notes to Standalone Financial Statements

for the year ended March 31, 2019

b. 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.

c. 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:

d. The disclosures required under Ind-AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Particulars	Gratuity		Compensated Absences	
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2019		As at March 31, 2018	
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:				
Defined Benefit Obligation at beginning of the year	1,080.89	255.80	1,001.31	232.35
Current Service Cost	336.58	73.96	93.35	28.76
Interest Cost	62.42	14.77	77.10	17.89
Actuarial (Gain) / Loss	(3.24)	87.42	(44.55)	(23.20)
Benefit Paid	(62.87)	(73.87)	(46.32)	-
Defined Benefit Obligation at year end	1,413.78	358.08	1,080.89	255.80
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:				
Fair value of Plan Assets at beginning of the year	1,195.52	-	974.34	-
Expected return on Plan Assets	75.66	-	80.70	-
Actuarial Gain / (Loss)	19.96	-	(7.03)	-
Employer Contribution	230.00	-	193.83	-
Benefit Paid	-	-	(46.32)	-
Fair value of Plan Assets at year end	1,521.14	-	1,195.52	-
c) Reconciliation of Fair Value of Assets and Obligations:				
Fair Value of Plan Assets as at year end	1,521.14	-	1,195.52	-
Present Value of Obligation as at year end	1,413.78	358.08	1,080.89	255.80
Net Assets/ (Liability)	107.36	(358.08)	114.63	(255.80)

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Particulars	Gratuity		Compensated Absences	
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2019		As at March 31, 2018	
(₹ in Lacs)				
d) Expenses Recognized during the year:				
Current Service Cost	336.60	73.96	93.35	28.76
Interest Cost	62.42	14.77	77.10	17.89
Expected return on Plan Assets	(75.68)	NA	(80.70)	NA
Actuarial (Gain) /Loss	(23.20)	87.42	(37.52)	(23.20)
Expense Recognised in Statement of Profit and Loss	300.14	176.15	52.23	23.45
e) Remeasurements recognized in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	(3.24)	-	(44.55)	-
Actual return on Plan Assets less Interest on Plan Assets	(19.96)	-	7.03	-
Expenses Recognised in Other Comprehensive Income (OCI)	(23.20)	-	(37.52)	-
f) Sensitivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(88.14)	(27.63)	(67.08)	(19.78)
1% decrease in discount rate	101.65	32.29	77.13	23.06
1% increase in salary escalation rate	100.34	31.87	76.90	22.99
1% decrease in salary escalation rate	(88.68)	(27.79)	(68.08)	(20.08)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	307.95	64.72	246.64	44.14
Between 1 to 5 years	672.04	88.03	252.91	45.72
Between 6 to 10 years	667.96	57.74	189.62	20.84

Particulars	Gratuity		Compensated Absences	
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2019		As at March 31, 2018	
(₹ in Lacs)				
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)	7.70%	7.70%	6.85%	7.70%
Expected Return on Plan Assets (per annum)	7.70%	NA	7.70%	NA
Withdrawal Rate	1% - 3%		1% - 3%	
Rate of Escalation in Salary (per annum)	8.00%		7.00%	
Retirement Age	58		58	

Notes to Standalone Financial Statements

for the year ended March 31, 2019

- e. Sick Leave:** The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2019 and March 31, 2018 - ₹ 150.11 Lacs, and ₹ 114.77 Lacs respectively. The company had recognised ₹ 35.34 Lacs as an expense during the FY – 2018-19.

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 43. Related Party Transaction:

a. Parties where control exists

Subsidiary / Step down Subsidiaries

- i) Polyplex (Asia) Pte. Limited (PAPL)
- ii) PAR LLC USA (PAR LLC)
- iii) Polyplex (Thailand) Public Co Limited (PTL)
- iv) Polyplex (Singapore) Pte. Limited (PSPL)
- v) Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)
- vi) Polyplex USA LLC (PU)
- vii) Polyplex Trading (Shenzhen) Co. Limited (PTSL)
- viii) Polyplex America Holdings Inc. (PAH)
- ix) EcoBlue Limited (EL)
- x) Polyplex Europe B. V. (PEBV)
- xi) Polyplex Paketleme Çözümleri Sanayi Ve Ticaret A.S. (PPC)
- xii) PT Polyplex Films Indonesia

b. Other 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

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Relative of Key Management Personnel

a. Ms. Ritu Kothari

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

- i) Beehive Systems Private Limited
- ii) Manupatra Information Solutions Private Limited
- iii) Altivulus Infotech Private Limited
- iv) Dalhousie Villa Private Limited
- v) Bhilangana Hydro Power Limited
- vi) Kotla Hydro Power Private Limited
- vii) Punjab Hydro Power Private Limited
- viii) Abohar Power Generation Private Limited
- ix) Kanchanjunga Power Company Private Limited
- x) Utkarsh Trading and Holdings Limited
- xi) Suresh Surana & Associates, LLP @
- xii) RSM Astute Consulting Private Limited @
- xiii) Praxis Consulting & Information Services Private Limited
@Ceased to be related party on June 11, 2018

d. Nature of Transactions with Related Parties

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Material / Services		
Subsidiaries	186.12	1.01
Relative of KMP	31.48	29.70
Enterprises over which KMP have significant influence	10.63	31.10
	228.23	61.81
Services Rendered		
Enterprises over which KMP have significant influence	106.71	157.81
	106.71	157.81
Sale of Material		
Subsidiaries	10,908.02	10,623.00
	10,908.02	10,623.00
Reimbursement of expenses from		
Subsidiaries	25.81	2.97
Enterprises over which KMP have significant influence	96.49	123.88
	122.30	126.85
Dividend Received		
Subsidiaries	16,984.05	4,513.94
	16,984.05	4,513.94
Interest Received		
Enterprises over which KMP have significant influence	145.00	145.00
	145.00	145.00
Key management personnel compensation		
Managerial Remuneration *	552.86	645.53
Commission to Director	275.00	70.00
Director's Sitting Fees	32.50	31.50
	860.36	747.03

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Outstanding Balances

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Receivables on account of sale of Goods / Services		
Subsidiaries	3,360.96	1,026.67
Enterprises over which KMP have significant influence	8.01	11.69
	3,368.97	1,038.36
Receivables on account of expenses recovered		
Enterprises over which KMP have significant influence	5.14	14.03
	5.14	14.03
Loan given to		
Enterprises over which KMP have significant influence	1,450.00	1,450.00
	1,450.00	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	714.38
Key management personnel	395.00	70.00
Enterprises over which KMP have significant influence	-	5.18
	620.59	789.56
Investment in Equity / Shares		
Subsidiaries	4,698.71	4,698.71
	4,698.71	4,698.71

* Excluding Car perquisites of ₹ 0.39 Lacs and reimbursement of medical expenses ₹ 1.54 Lacs for the Financial Year 2018-19.

e. 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, 2019 and March 31, 2018 other than that stated above.

Note 44. Contingent Liabilities not provided for and other commitments, in respect of:

a. Disputed matters under litigation

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Excise Duty, Customs Duty and Service Tax *	1,012.04	395.47
Sales Tax and Entry Tax **	198.89	100.64
Income Tax	-	728.71
Others	33.62	30.01

* Amount deposited ₹ 353.86 Lacs (March 31, 2018: ₹ 3.62 Lacs)

** Amount deposited ₹ 55.55 Lacs (March 31, 2018: ₹ 23.84 Lacs)

Notes to Standalone Financial Statements

for the year ended March 31, 2019

b. Guarantees

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Guarantees given to Banks and others	564.86	730.11

- c. 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 scripts of the duty paid upon meeting of specific export obligations. The Company expects to meet its export obligations in future years. Export obligation as on March 31, 2019 and March 31, 2018 - ₹ 444.51 Lacs and ₹ 1,060.61 Lacs respectively.

d. Contribution to Provident Fund as per Supreme Court Judgment

There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact

Note 45. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 1,183.47 Lacs (Previous Year: ₹ 1,329.84 Lacs)) amounts to ₹ 4,175.50 Lacs (Previous Year: ₹ 2,726.12 Lacs).

Note 46. Research and Development:

The revenue expenditure of ₹ 454.62 Lacs (Previous Year: ₹ 437.85 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Note 47. 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:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Pre-operative expenses brought forward	63.06	-
Raw Material Consumed	10.09	-
Power & Fuel	2.53	-
Interest on Term Loan	-	48.10
Miscellaneous & Other Expenses	14.00	14.96
Total	89.68	63.06
Less : Scrap Sales	0.46	-
Less : Allocated and Capitalised during the year	79.31	-
Balance Pending Allocation Transfer to Balance Sheet	9.91	63.06

Note 48. Dividend:

Detail of dividend paid and proposed to be distributed:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Paid for Equity Shareholders	14,393.07	2,878.61
Corporate Dividend Tax	-	-
Dividend Proposed for Equity Shareholders	13,113.69	1,599.23
Corporate Dividend Tax	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 49. 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:

Sr. Particulars No	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
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 50. 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 these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the Company during the year	106.32	68.73
Amount spent during the year on Promoting Culture / Language	70.00	60.00
Promoting Education	18.42	9.80
Total	88.42	69.80

Note 51. Earnings per Share:

Particulars	Unit	(₹ in Lacs)	
		Year ended March 31, 2019	Year ended March 31, 2018
Net Profit / Loss for the year	(₹ in Lacs)	22,808.40	5,889.76
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	(₹)	71.31	18.41
Diluted EPS	(₹)	71.31	18.41
Face Value per Share	(₹)	10.00	10.00

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 52:

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

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Total lease payment during the year (Recognized in Statement of Profit and Loss)	13.31	13.20
Minimum Lease Payments		
- Not later than one year	13.31	13.31
- Later than one year but not later than five year	-	13.31
- Later than five years	-	-

Note 53. Auditor's Remuneration:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Audit Fee	47.00	28.67
Tax Audit Fee	3.00	1.00
Certification & Other Fees	6.45	3.80
Out of Pocket Expenses	2.17	0.75
Total	58.62	34.22

Note 54:

Details of Investment made / Loan Given under Section 186(4) of the Companies Act, 2016:

- Details of investment made are given in Note - 7 of Financial Statements.
- Detail of Loan Given by the company are as under:

Name of the Entity	Purpose	(₹ in Lacs)	
		Loan Given During The Year	Balance of Loan As At March 31, 2019
Utkarsh Trading and Holdings Limited	Business	Nil	1,450

Note 55:

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 Company amounting to THB 5,00,000 Equivalent to ₹ 10.91 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 Liabilities under the head Other Current Financial Liabilities (refer Note No 27).

Note 56. Events occurring after the Balance Sheet Date:

There are no events occurring after the Balance Sheet date for the financial year 2018-19 except Note No – 55 (SEC Case) & Note No – 48 (Proposed Dividend).

Notes to Standalone Financial Statements

for the year ended March 31, 2019

Note 57. Recent Accounting Pronouncements:

- **Ind-AS 116 Leases**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind-AS 116, Leases. Ind-AS 116 will replace the existing leases Standard, Ind-AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind-AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind-AS 116 substantially carries forward the lessor accounting requirements in Ind-AS 17. The effective date for adoption of Ind-AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition. Full retrospective – Retrospectively to each prior period presented applying Ind-AS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind-AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods. The Company is in the process of evaluating the impact of standards on its lease agreements in which it is a lessee.

- **Ind-AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind-AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind-AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind-AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind-AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of amendment to the Standard.

- **Amendment to Ind-AS 12 – Income taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind-AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Financial Statements

- **Amendment to Ind-AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment

Notes to Standalone Financial Statements

for the year ended March 31, 2019

- **Amendment to Ind-AS 19 – plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind-AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Accompanying Notes to Standalone Financial Statements 1-57

As per our report of even date

For S S Kothari Mehta & Co

Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta

Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari

Wholetime Director
DIN: 00004003

Manish Gupta

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore Soni

Director
DIN: 00183432

Ashok Kumar Gurnani

Company Secretary
FCS : 2210

**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, 2019, 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, 2019, 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 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.

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, 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.	<p>Key audit matter reported by Principal Auditor and Component Auditor</p> <p>Revenue Recognition:</p> <p>For the year ended March 31, 2019 the Group has recognized revenue from contracts with customers amounting to ₹ 4,56,989.25 Lacs.</p> <p>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.</p> <p>Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, claims, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.</p> <p>Revenue represents a significant line item in the Statement of Profit and Loss account and also a key indicator of business performance.</p>	<p>Principal Auditor's procedures and procedure performed by the Component Auditor included the following:</p> <ul style="list-style-type: none"> 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.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The risk is, therefore, that revenue may not be recognized in the correct period or that revenue is misstated.</p>	<ul style="list-style-type: none"> • 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 volume discounts, rebates, claims, price concessions, incentives, and returns etc.
2.	<p>Key audit matter reported by Component Auditor Valuation of Investments in Subsidiaries:</p> <p>The Component auditor has considered the value of investments in subsidiaries(Step down subsidiaries of the Holding Company) as key audit matters because the impairment assessment on investments in subsidiaries is a significant accounting estimate requiring the management to exercise a high degree of judgement in identifying and estimating the recoverable amounts that are expected to be generated from subsidiaries. Moreover, the amount of the allowance for impairment of investments in subsidiaries is a significant amount presented in the statement of financial position. There is thus a risk with respect to the valuation of investment in subsidiaries.</p>	<p>The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures:</p> <ul style="list-style-type: none"> • Assessed the identification of the financial models selected by management by gaining an understanding of the management's decision-making process. • Assessed the assumption applied in preparing long term plans and cash flow projections for subsidiaries with indicators of the impairment exist based on the understanding of the process by which the figures were arrived ,comparisons of the assumptions with the external and internal sources of information and comparison of the past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating the cash flow projections and comparisons of the long term growth rate of subsidiaries with industry forecast. • The discount rate based on comparison of the average cost of capital and other data with those used by comparable organisations. • Assessed the identification of management assumptions and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate.
3.	<p>Key audit matter reported by Component Auditor Deferred Tax:</p> <p>A deferred tax asset is recognized when it is highly probable that the Company's taxable profit will be sufficient to allow utilization of the deferred tax assets in the future. Determining whether there will be sufficient future taxable profit to utilize temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is risk with respect to the amount of deferred tax assets.</p>	<p>The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures:</p> <ul style="list-style-type: none"> • Assessed the estimates of future taxable profit by checking the required information and key assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin, such as inflation rate and demand forecast for the products. • Compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. • Tested the calculation based on the above information and assumptions.

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 preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), 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 prescribed 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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.

The respective Board of Directors of the companies included in the Group are 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 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 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 Matters

We did not audit the Financial Statements of ten subsidiaries, whose financial statement reflect total assets of ₹ 5,53,963 Lacs and total net assets of ₹ 4,06,917 Lacs as at March 31, 2019, total revenues of ₹ 2,72,230 Lacs and net cash out flow ₹ 6,179 Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. 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 / financial information 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 Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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, 2019 taken on record by the Board of Directors of the Holding Company, none of the Directors is disqualified as on March 31, 2019 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose impact of pending litigations as at March 31, 2019 on its financial position of the Group-Refer Note 48 to the Consolidated Financial Statements.
- ii. The Group have 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 Holding Company for the year ended March 31, 2019.

For S.S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta

Partner

Membership No.:093214

Place: Noida

Date: May 17, 2019

“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 (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, 2019, 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 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, 2019, 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 & CO.

Chartered Accountants
Firm Reg. No. : 000756N

Yogesh K. Gupta

Partner

Place: Noida

Date: May 17, 2019

Membership No.:093214

Consolidated Balance Sheet

as at March 31, 2019

		(₹ in Lacs)	
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I Assets			
1 Non Current Assets			
(a) Property, Plant and Equipment	4	2,23,798.64	2,21,375.92
(b) Capital work-in-progress	5	18,143.44	809.19
(c) Investment Properties	6	303.89	310.67
(d) Goodwill		21.99	19.06
(e) Other Intangible Assets	7	49.97	70.85
(f) Financial Assets			
(i) Investments	8	11,227.95	13,254.85
(ii) Loans	9	1,163.69	949.73
(iii) Other Financial Assets	10	27,848.40	33,734.74
(g) Deferred Tax Assets (Net)	11	5,248.56	4,934.77
(h) Other Non-current Assets	12	9,809.67	6,974.54
Total Non Current Assets		2,97,616.20	2,82,434.32
2 Current Assets			
(a) Inventories	13	66,409.07	56,653.04
(b) Financial Assets			
(i) Investments	14	1,088.22	93.97
(ii) Trade Receivables	15	60,117.36	54,967.06
(iii) Cash & Cash equivalents	16	33,370.06	35,934.80
(iv) Bank balances other than (iii) above	17	44,994.70	42,166.95
(v) Loans	18	1,533.78	1,478.00
(vi) Other Financial Assets	19	3,690.37	3,001.03
(c) Current Tax Assets	20	704.67	562.16
(d) Other Current Assets	21	10,929.59	9,504.68
Total Current Assets		2,22,837.82	2,04,361.69
TOTAL ASSETS		5,20,454.02	4,86,796.01
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	22	3,256.32	3,256.32
(b) Other Equity	23	2,73,867.80	2,51,566.37
Equity attributable to owners of Polyplex Corporation Limited		2,77,124.12	2,54,822.69
Non Controlling Interests		1,23,518.76	1,07,221.39
Total Equity		4,00,642.88	3,62,044.08
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	24,548.04	25,481.97
(b) Provisions	25	1,165.60	848.38
(c) Other non-current liabilities	26	82.99	161.10
Total Non Current Liabilities		25,796.63	26,491.45
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	41,875.13	48,388.24
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	28	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	28	23,530.07	26,746.39
(iii) Other financial liabilities	29	23,915.46	20,443.01
(b) Other current liabilities	30	4,423.24	2,414.53
(c) Provisions	31	214.83	158.91
(d) Current Tax Liabilities (Net)	32	55.78	109.40
Total Current Liabilities		94,014.51	98,260.48
Total Liabilities		1,19,811.14	1,24,751.93
TOTAL EQUITY AND LIABILITIES		5,20,454.02	4,86,796.01
Accompanying notes to the Consolidated Financial Statements		1 - 61	

As per our report of even date

For S S Kothari Mehta & CoChartered Accountants
(FRN: 000756N)**Yogesh K Gupta**Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited**Pranay Kothari**Wholetime Director
DIN: 00004003**Manish Gupta**

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore SoniDirector
DIN: 00183432**Ashok Kumar Gurnani**Company Secretary
FCS : 2210

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue from Operations	33	4,56,989.25	3,58,804.26
II Other Income	34	16,353.69	4,416.83
III Total Income (I + II)		4,73,342.94	3,63,221.09
IV Expenses			
Cost of Materials Consumed	35	2,72,817.34	2,10,729.87
Purchases of Stock-in-trade		13,742.59	11,169.90
Changes in Inventories of finished goods & work-in-progress	36	(7,011.72)	(6,928.49)
Excise Duty		-	1,570.16
Employee benefits expense	37	34,460.36	30,323.50
Finance costs	38	2,907.93	3,943.16
Depreciation and Amortisation expenses	7A	20,910.39	18,501.03
Other expenses	39	69,843.61	62,522.33
Total Expenses (IV)		4,07,670.50	3,31,831.46
V Profit Before Exceptional Items and Tax (III - IV)		65,672.44	31,389.63
VI Exceptional Items Gain / (Loss)		-	-
VII Profit Before Tax (V + VI)		65,672.44	31,389.63
VIII Tax Expense:	40		
(1) Current Tax		7,491.90	2,828.77
(2) Deferred Tax		(185.88)	148.37
(3) Earlier year Tax		1.13	0.77
Total		7,307.15	2,977.91
IX Profit after Tax (VII - VIII)		58,365.29	28,411.72
X Other Comprehensive Income			
(A) (i) Items that will not be Reclassified to Profit or Loss:		(199.08)	113.34
(ii) Income Tax on relation to items that will not be Reclassified to Profit or Loss:		8.11	7.93
(B) Items that will be Reclassified to Profit or Loss:		1,404.26	22,730.45
Total Other Comprehensive Income (Net of Tax) (A(i-ii)+B)		1,197.07	22,835.86
XI Total Comprehensive Income for the year (IX+X)		59,562.36	51,247.58
XII Profit / (Loss) for the period attributable to:			
Owner of the Parent		33,003.07	15,945.31
Non-controlling Interest		25,362.22	12,466.41
XIII Other Comprehensive Income for the year attributable to:			
Owner of the Parent		3,691.43	11,519.36
Non-controlling Interest		(2,494.36)	11,316.50
XIV Total Comprehensive Income for the year attributable to:			
Owner of the Parent		36,694.50	27,464.67
Non-controlling Interest		22,867.86	23,782.91
XV Earnings Per Equity Share			
Basic (in ₹)		103.18	49.85
Diluted (in ₹)		103.18	49.85
Accompanying notes to the Consolidated Financial Statements	1 - 61		

As per our report of even date

For S S Kothari Mehta & Co
Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta
Partner
Membership No. 093214

Place: Noida
Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari
Wholetime Director
DIN: 00004003

Manish Gupta
Chief Financial Officer

Place: Noida
Date: May 17, 2019

Brij Kishore Soni
Director
DIN: 00183432

Ashok Kumar Gurnani
Company Secretary
FCS : 2210

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Year ended		Year ended	
	March 31, 2019		March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit Before Tax		65,672.44		31,389.63
Adjusted for:-				
Depreciation and Amortisation	20,910.39		18,501.03	
Allowance for doubtful debts/ bad debts written off	0.84		80.19	
Finance Cost	2,907.93		3,943.16	
Interest Income	(3,308.78)		(3,039.35)	
Decrease of inventories to net realisable value (reversal)	421.10		(85.43)	
Unrealised Exchange Difference (Gain) / Loss	(8,774.61)		4,717.78	
MTM loss /(gain) on derivative financial instruments measured at FVTPL	(424.10)		350.43	
Net (gain) / loss on sale of Property, Plant & Equipment	20.31		(26.12)	
Property Plant & Equipment Written off	0.41		17.51	
Net Gain on Sale of Investments measured at FVTPL	(41.49)	11,712.00	(0.65)	24,458.55
Operating Profit before Working Capital Changes		77,384.44		55,848.18
Working Capital Adjustments:				
Trade Receivables	(5,406.79)		(7,736.19)	
Other Financial Assets	(467.92)		180.34	
Other Non Financial Assets	(1,336.87)		(3,703.63)	
Inventories	(10,177.13)		(12,995.72)	
Trade Payables	(3,216.32)		1,130.57	
Other Financial Liabilities	3,705.08		1,039.27	
Other Non Financial Liabilities	1,837.65		(415.06)	
Provisions	485.58	(14,576.72)	56.60	(22,443.82)
Cash Generated from Operations		62,807.72		33,404.36
Income Taxes Paid		(7,689.16)		(2,699.05)
Cash Flow Before Exceptional Items		55,118.56		30,705.31
Exceptional Items		-		-
Net Cash From Operating Activities		55,118.56		30,705.31
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(37,246.76)		(13,754.78)	
Sale of Property, Plant & Equipment	246.18		65.14	
Sale / (Purchase) of non-current Investments	2,026.90		(3,408.31)	
Deposits with Bank other than Cash & Cash equivalent	3,058.59		2,509.51	
Purchase of short term Investments	(1,30,428.65)		(2,734.53)	
Sale of short term Investments	1,29,475.89		2,769.53	
Interest received	3,241.72		1,918.81	
Net Cash Used In Investing Activities		(29,626.13)		(12,634.63)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Non-Current Borrowings	20,418.78		8,722.25	
Repayment of Long Term Borrowings	(21,680.18)		(23,713.22)	
Net Proceeds/ (Repayment) from Short Term Borrowings	(6,114.01)		22,731.01	
Interest paid	(2,911.90)		(4,013.64)	
Dividends paid to Non Controlling Interest (including tax)	(6,569.77)		(5,047.21)	
Dividends paid	(14,295.88)		(2,854.96)	
Net Cash used In Financing Activities		(31,152.96)		(4,175.77)

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	D. EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN OPERATION			
Net Increase In Cash and Cash Equivalents		3,095.79		2,022.66
Total Cash and Cash Equivalents at the beginning of the year		(2,564.74)		15,917.57
Total Cash and Cash Equivalents at the end of the year		35,934.80		20,017.23
Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note No: 16):		33,370.06		35,934.80
Balance with schedule banks		230.48		284.66
Balance with non-schedule banks		33,086.98		35,612.80
Cash on hand		52.60		37.34
Total		33,370.06		35,934.80

Reconciliation of Liabilities arising from Financing Activities

(₹ in Lacs)

Particulars	As at March 31, 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

(₹ in Lacs)

Particulars	As at March 31, 2017	Cash Flows	Non Cash Change	As at
				March 31, 2018
Non Current Borrowings	41,064.47	(14,990.97)	(591.53)	25,481.97
Current Borrowings	25,240.69	22,731.01	416.54	48,388.24
Interest Accrued	122.87	(4,013.64)	3,991.26	100.49
Dividend and tax thereon	142.51	(2,853.44)	2,878.62	167.69

Accompanying notes to the Consolidated Financial Statements 1 - 61

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 & Co

Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta

Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

Pranay Kothari

Wholtime Director
DIN: 00004003

Manish Gupta

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore Soni

Director
DIN: 00183432

Ashok Kumar Gurnani

Company Secretary
FCS : 2210

Statement of Consolidated Changes in Equity

for the year ended March 31, 2019

A. Equity Share Capital

Particulars	(₹ in Lacs)	
	No. of Shares	Amount
As at April 01, 2017	3,19,84,600	3,256.32
Changes in equity share capital during the year	-	-
As at March 31, 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

B. Other Equity

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 01, 2017	250.80	58.36	13,886.37	1,802.78	5,855.10	1,74,464.34	(97.75)	30,760.32	2,26,980.32
Profit for the year	-	-	-	-	-	15,945.31	-	-	15,945.31
Other Comprehensive Income / (Loss) for the year	-	-	-	-	-	65.72	(133.20)	11,586.84	11,519.36
Total Comprehensive Income / (Loss) for the year	-	-	-	-	-	16,011.03	(133.20)	11,586.84	27,464.67
Transaction with owners, recorded directly in Equity:	-	-	-	-	-	-	-	-	-
Dividend payments including dividend distribution tax	-	-	-	-	-	(2,878.62)	-	-	(2,878.62)
Transaction with NCI	-	-	-	-	-	-	-	-	-
Dividend paid (including DDT) to NCI	-	-	-	-	-	-	-	-	-
Addition/(deletion) during the period	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	100.00	(100.00)	-	-	-
Prior period errors	-	-	-	-	-	-	-	-	-
As at March 31, 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

Accompanying notes to the Consolidated Financial Statements

1 - 61

As per our report of even date

For and on behalf of Board of Directors of Polyplex Corporation Limited**For S S Kothari Mehta & Co**Chartered Accountants
(FRN: 000756N)**Pranay Kothari**Wholtime Director
DIN: 00004003**Brij Kishore Soni**Director
DIN: 00183432**Yogesh K Gupta**Partner
Membership No. 093214**Manish Gupta**

Chief Financial Officer

Ashok Kumar GurnaniCompany Secretary
FCS: 2210

Place: Noida

Date: May 17, 2019

Place: Noida

Date: May 17, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 ("NSE") and the 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, USA, and Turkey with worldwide distribution.

These Consolidated Financial Statements were approved and adopted by board of directors of the Company in their meeting held on May 17th, 2019.

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) a. 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.

b. 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.

c. Change in accounting policy

- Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind-AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 1st April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have

not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

- The Group has adopted Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration with effect from 1st April 2018 prospectively to all assets, expenses and income initially recognized on or after 1st April 2018 and the impact on implementation of the Appendix is immaterial.

(ii) 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 31.03.2019:

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. Limited	100.00
Polyplex (Thailand) Public Company Limited	51.00
Polyplex (Singapore) Pte. Limited	51.00
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi	51.00
Polyplex Trading (Shenzhen) Company Limited	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

- (iii) 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”.
- (iv) 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.
- (v) 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.
- (vi) 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 (‘INR’), which is the Group’s functional and presentation currency. All amounts have been presented in lacs with two decimals, unless otherwise indicated.
- (vii) 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.
- (viii) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company’s Financial Statements.

Significant accounting policies:

(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 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 are 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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

A lease is classified at the inception date as a finance lease or operating lease. Leases are classified as finance leases whenever the terms of the A lease that transfers substantially all the risks and rewards incidental to Group is classified as finance lease. All other leases are classified as operating leases.

(i) As a lessee

Finance lease

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see note 2(g) below).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating lease

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(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 and 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).

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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. 1st April, 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 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 Head 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	15-30 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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.

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.

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for the year ended March 31, 2019

(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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(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 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

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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.

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 18 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

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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

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 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

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for the year ended March 31, 2019

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 (EPS)

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.

(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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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.

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for the year ended March 31, 2019

Note 4. Property Plant and Equipment:

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT		
	As at	Additions	Sale /	As at	For the	Sale /	As at	As at	As at
	April 1, 2018	during the year	Adjustments*	April 1, 2018	year	Adjustments	March 31, 2019	March 31, 2019	March 31, 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)	20,663.09	2,923.44	(663.12)	78,589.08	54,339.43	53,914.12
Plant & Machinery	3,13,298.35	11,734.25	(5,903.98)	1,59,285.01	17,253.06	(1,385.85)	3,30,936.58	1,53,012.66	1,54,013.34
Electrical Installations	2,108.87	56.98	-	1,867.21	70.08	-	2,165.85	228.56	241.66
Furniture & Fixtures	2,016.83	913.03	789.96	1,503.92	70.07	(30.45)	2,139.90	1,604.44	512.91
Office Equipment	4,257.93	142.75	(908.46)	3,140.01	452.34	(78.82)	5,309.14	3,671.17	1,117.92
Vehicles	1,398.81	455.60	276.25	1,130.36	99.83	228.39	1,578.16	1,001.80	268.45
TOTAL	4,08,965.52	16,848.37	(8,373.02)	1,87,589.60	20,868.82	(1,929.85)	4,34,186.91	2,10,388.27	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 27 for security clause.

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT		
	As at	Additions	Sale /	As at	For the	Sale /	As at	As at	As at
	April 1, 2017	during the year	Adjustments*	April 1, 2017	year	Adjustments	March 31, 2018	March 31, 2018	March 31, 2017
Freehold Land	8,435.76	2,367.64	(504.12)	-	-	-	11,307.52	-	8,435.76
Buildings	70,084.19	159.10	(4,333.92)	16,820.45	2,654.94	(1,187.70)	74,577.21	20,663.09	53,263.74
Plant & Machinery	2,87,791.76	5,070.93	(20,435.66)	1,33,304.40	15,172.21	(10,808.40)	3,13,298.35	1,59,285.01	1,54,487.36
Electrical Installations	2,112.89	7.68	11.70	1,779.87	98.51	11.17	2,108.87	1,867.21	333.02
Furniture & Fixtures	1,807.02	678.91	469.10	1,309.80	83.21	(110.91)	2,016.83	1,503.92	497.22
Office Equipment	3,388.75	90.13	(779.05)	2,704.02	350.91	(85.08)	4,257.93	3,140.01	684.73
Vehicles	1,364.64	56.36	22.19	1,038.56	103.09	11.29	1,398.81	1,130.36	326.08
TOTAL	3,74,985.01	8,430.75	(25,549.76)	1,56,957.10	18,462.87	(12,169.63)	4,08,965.52	1,87,589.60	2,21,375.92

Note:

*Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of ₹ 25,935.98 Lacs (FY 2016-17: loss of ₹ 6,590.00 Lacs).

Refer Note 24 and 27 for security clause.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 5. Capital Work in Progress:

(₹ 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).

(₹ in Lacs)

Particulars	As at April 1, 2017	Additions	Amount transferred from CWIP / Adjustment *	As at April 1, 2018
Capital Work in Progress	1,026.34	2,436.03	2,653.18	809.19
Total	1,026.34	2,436.03	2,653.18	809.19

Note:

*Amount transferred from CWIP /Adjustment includes adjustment of foreign exchange translation gain of ₹ 58.47 Lacs (Previous Year loss of ₹ 0.12 Lacs).

Note 6. Investment Property:

(₹ 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
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

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				AMORTISATION			NET CARRYING AMOUNT		
	As at April 01, 2017	Additions during the year	Sale / Adjustments*	As at March 31, 2018	As at April 01, 2017	For the year	Sale / Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Building	434.41	-	-	434.41	116.96	6.78	-	123.74	310.67	317.45
Total	434.41	-	-	434.41	116.96	6.78	-	123.74	310.67	317.45

Notes:

1. Investment Property consist of building located in state of Uttar Pradesh.

2. Amount recognised in Consolidated Statement of Profit and Loss:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental Income	275.14	260.53
Direct operating expenses from property that generated rental income	163.11	138.22
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	112.03	122.31
Depreciation	6.78	6.78
Profit from investment properties	105.25	115.53

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
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:

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
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).

Particulars	GROSS CARRYING AMOUNT				AMORTISATION			NET CARRYING AMOUNT		
	As at April 01, 2017	Additions during the year	Sale / Adjustments*	As at March 31, 2018	As at April 01, 2017	For the year	Sale/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
	Computer Software	512.31	25.47	(40.05)	577.83	437.19	31.38	(38.41)	506.98	70.85
Total	512.31	25.47	(40.05)	577.83	437.19	31.38	(38.41)	506.98	70.85	75.12

Note:

*Sale/Adjustment includes adjustment of foreign exchange translation gain of ₹ 40.05 Lacs (Previous Year loss of ₹ 22.24 Lacs).

Note 7A. Depreciation and Amortisation Expenses:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant & Equipment (Refer note: 4)	20,868.82	18,462.87
Amortisation of Intangible Assets (Refer note: 7)	34.79	31.38
Depreciation on Investment Property (Refer note: 6)	6.78	6.78
Total	20,910.39	18,501.03

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 8. Non-Current Investments:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments Carried at Fair Value through OCI		
Investment in Bonds (Refer note 44)	11,227.95	13,254.85
TOTAL	11,227.95	13,254.85
- Aggregate amount of quoted Investments and market value thereof	11,227.95	13,254.85

Note 9. Non-Current Loans:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Security Deposits (Refer note 44)	1,163.69	949.73
TOTAL	1,163.69	949.73
Break up of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	1,163.69	949.73
Loans which have significant increase in Credit Risk	-	-
Loans Credit Impaired	-	-
	1,163.69	949.73

Note 10. Other Non-Current Financial Assets:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Fixed Deposit with Banks (Refer note 44)	27,848.40	33,734.74
	27,848.40	33,734.74

Note 11. Deferred Tax Assets (Net):

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Provision for long term employees benefits	262.48	202.28
Reversal of Others Expenses	100.66	248.30
MAT Credit Entitlement	1,776.82	1,481.25
Unused tax losses	3,446.18	3,297.32
Sub Total (a)	5,586.14	5,229.15
Deferred Tax Liability		
Property Plant & Equipment	214.13	256.96
Remeasurement of defined benefit obligations	8.11	13.11
Others	115.34	24.31
Sub Total (b)	337.58	294.38
TOTAL (a - b)	5,248.56	4,934.77

(Refer note 58 for movement in Deferred Tax)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 12. Other Non-Current Assets:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital Advances to Vendors	9,439.18	6,490.82
Export Benefit Receivables	12.73	98.63
Prepaid Expenses	357.76	385.09
TOTAL	9,809.67	6,974.54

Note 13. Inventories:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Raw Materials (including stock in transit of ₹ 2,163.83 Lacs, FY 2017-18: ₹ 2,433.94 Lacs)	19,422.63	17,904.57
Stock in Process	8,235.56	7,990.19
Finished Goods (including stock in transit of ₹ 7,733.65 Lacs, FY 2017-18: ₹ 6,630.01 Lacs)	28,461.51	21,695.16
Stores & Spares	10,289.37	9,063.12
TOTAL	66,409.07	56,653.04

Notes

- (i) The cost of inventories recognised as an expense during the year ₹ 3,57,795.92 Lacs (FY 2017-18: ₹ 2,82,032.55 Lacs).
- (ii) The cost of inventories recognised as an expense includes ₹ 421.1 Lacs, FY - 2017-18: ₹ 85.43 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(i).
- (iv) Refer Note 24 and 27 for security clause.

Note 14. Investment (Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Carried at Fair value through Profit & Loss		
Investment in Mutual Fund (Refer note 44)	1,088.22	93.97
TOTAL	1,088.22	93.97
Note:		
- Aggregate of Unquoted Investments and market value thereof	1,088.22	93.97

Note 15. Trade Receivables:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Trade Receivables Unsecured	60,236.77	55,170.39
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables Credit Impaired	-	-
Less: Allowance for Doubtful Debts	(119.41)	(203.33)
TOTAL	60,117.36	54,967.06
Break up Trade Receivables		
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - Un-Secured	60,117.36	54,967.06
Trade Receivables Considered Doubtfull	119.41	203.33
Less: Allowance for Doubtful Debts	(119.41)	(203.33)
TOTAL	60,117.36	54,967.06

Refer Note 24 and 27 for security clause and note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 16. Cash and Cash Equivalents:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) BANK BALANCE WITH SCHEDULE BANKS		
Current Accounts	230.48	284.66
(b) BANK BALANCE WITH NON-SCHEDULE BANKS		
Current Accounts	11,258.47	17,900.22
Fixed Deposits with original maturity less than three months	21,828.51	17,712.58
(c) CASH AND CASH EQUIVALENT		
Cash on hand	52.60	37.34
TOTAL	33,370.06	35,934.80

Refer note 44

Note 17. Bank Balances other than above:

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) EARMARKED BALANCE WITH BANKS		
Unpaid Dividend Accounts	248.88	151.69
Fixed Deposits with original maturity more than one year	1,404.77	189.40
	1,653.65	341.09
Less: Fixed Deposit presented under Other Non Current Assets (Note 10)	(1,404.77)	(189.40)
Sub Total (a)	248.88	151.69
(b) OTHER BANK BALANCES		
Fixed Deposits (Lien with Banks)	2.21	2.21
Fixed Deposits with original maturity more than three months less than 12 months	44,743.61	42,013.05
Sub Total (b)	44,745.82	42,015.26
TOTAL (a+b)	44,994.70	42,166.95

Note 18. Loans (Current):

(₹ in Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Security Deposits	83.78	28.00
Loans to Related Party	1,450.00	1,450.00
TOTAL	1,533.78	1,478.00
Refer note 44		
Break up of Loans		
Loans Considered Good - Secured	-	-
Loans Considered Good - Un-Secured	1,533.78	1,478.00
Loans which have significant increase in Credit Risk	-	-
Loans Credit Impaired	-	-
TOTAL	1,533.78	1,478.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 19. Other Financial Assets (Current):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Derivative Financial Instruments	706.24	26.41
Interest accrued on loans and deposits	2,414.13	2,347.07
Other Receivables*	570.00	627.55
TOTAL	3,690.37	3,001.03

Refer note 44

*Includes rent receivable from related party amounting to ₹ 13.15 lacs (previous year ₹ 25.72 lacs)

Note 20. Current Tax Assets:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Advance Tax (Net of Provision) (Net of Provisions of ₹ 3,998.10 Lacs, FY - 2017-18: ₹ 3,843.35 Lacs)	704.67	562.16
TOTAL	704.67	562.16

Note 21. Other Current Assets:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to Vendors & others	5,209.72	2,017.66
Export Benefit Receivables	998.86	817.79
Prepaid Expenses	584.85	557.85
Deposits with Government Authorities	4,136.16	6,111.38
TOTAL	10,929.59	9,504.68

Note 22. Equity Share Capital:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
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	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Shareholders Holding more than 5% Shares

Particulars	As at March 31, 2019	As at March 31, 2018
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 IL & FS Trust Company Ltd	20,81,781	39,82,674

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, 2019	As at March 31, 2018
Share Warrants Forfited		
Balance at Beginning of the Year	250.80	250.80
Addition during the Year	-	-
Sub total (a)	250.80	250.80
Share Warrants Forefeited account shall be utilized as per provisions of Companies Act, 2013		
Capital Reserve		
Balance at Beginning of the Year	58.36	58.36
Addition during the Year	-	-
Sub total (b)	58.36	58.36
Securities Premium		
Opening Balance	13,886.37	13,886.37
Add : Addition during the year	-	-
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 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 foreing subsidiaries.

Legal Reserve		
Opening Balance	1,802.78	1,802.78
Addition during the year	-	-
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.

General Reserve		
Opening Balance	5,955.10	5,855.10
Transferred from Profit & Loss Account	250.00	100.00
Sub total (e)	6,205.10	5,955.10

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 23. Other Equity (Contd.):

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Retained Earnings		
Opening Balance	1,87,496.75	1,74,464.34
Add:		
Profit as per Profit & Loss Statement	33,003.07	15,945.31
Re-measurement of the net defined benefit Plans through OCI	(98.27)	65.72
Less:		
Transferred to General Reserve	250.00	100.00
Interim Dividend	14,393.07	2,878.62
Sub total (f)	2,05,758.48	1,87,496.75
Fair Value of Investment in Debt Instrument Through OCI		
Opening Balance	(230.95)	(97.75)
Fair value of Investment in Debt Instrument	288.82	(133.20)
Sub total (g)	57.87	(230.95)
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.		
Foreign Exchange Translation Reserve		
Opening Balance	42,347.16	30,760.32
Addition / (deletion) during the year	3,500.88	11,586.84
Sub total (h)	45,848.04	42,347.16
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)	2,73,867.80	2,51,566.37

Note 24. Borrowing (Non-Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
SECURED TERM LOANS FROM BANKS		
Rupee Term Loan	14,684.00	4,926.72
Foreign Currency Term Loan	22,014.49	32,919.42
Sub Total (a)	36,698.49	37,846.14
Less: Current Portion		
Rupee Term Loan	2,976.97	325.83
Foreign Currency Term Loan	9,173.48	12,038.34
Sub Total (b)	12,150.45	12,364.17
TOTAL (a - b)	24,548.04	25,481.97

(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 ₹ 121.73 Lacs, (FY 2017-18: ₹ 91.53 Lacs)

(c) Refer note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 25. Provision (Non-Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Provision for Employees Benefits Obligations	1,165.60	848.38
TOTAL	1,165.60	848.38

Refer note 46

Note 26. Other Liabilities (Non-Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Deferred Government Grants	82.99	161.10
TOTAL	82.99	161.10

- (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 ₹ 233.21 Lacs (FY 2017-18: ₹ 97.39 Lacs) was released from deferred income to the Statement of Profit and Loss on fulfillment 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 2017-18: ₹ 6.67 Lacs) was released from deferred income to the consolidated Statement of Profit and Loss.

Note 27. Borrowing (Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Secured Loans:		
Loans from Banks repayable on Demand	15,594.95	17,718.28
Bank Cash Credit Account	1,099.38	461.70
Sub Total (a)	16,694.33	18,179.98
Unsecured Loans:		
Loans from Banks repayable on Demand	25,180.80	30,208.26
Sub Total (b)	25,180.80	30,208.26
TOTAL (a - b)	41,875.13	48,388.24

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

Refer note 44

Note 28. Trade Payable:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Total Outstanding due to		
Micro enterprises and Small enterprises (Refer note 53)	-	-
Creditors other than Micro enterprises and Small enterprises	23,530.07	26,746.39
TOTAL	23,530.07	26,746.39

Refer note 44

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 29. Other Financial Liabilities (Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Current Maturity of Long Term Debt	12,150.45	12,364.17
Current Maturity of Finance Lease	-	30.82
Interest accrued but not due	96.52	100.49
Unclaimed Dividend*	265.59	167.69
Other Security Deposits	631.63	112.54
Capital Creditors	368.30	481.15
Derivative Financial Instruments	303.01	320.05
Other liabilities**	10,099.96	6,866.10
TOTAL	23,915.46	20,443.01

Refer note 44 & 60

*On due, will be transferred to Investor Education and Protection Fund.

**Includes expenses payable.

Note 30. Other Liabilities (Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Statutory liability	527.05	530.68
Contract Liability*	3,809.52	1,797.18
Deferred Government Grants**	86.67	86.67
TOTAL	4,423.24	2,414.53

*An amount of ₹ 1,714.59 Lacs had been recognised as income during the year that was included in the contract liability balance at beginning of the period.

**Refer note 26.

Note 31. Provisions (Current):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Provision for Employees Benefits obligations	214.83	158.91
TOTAL	214.83	158.91

Note 32. Current Tax Liabilities (Net):

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Provision for Tax (Net of Advance tax)	55.78	109.40
TOTAL	55.78	109.40

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 33. Revenue from Operation:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Detail of disaggregation of revenue from contract with customer based on nature of product		
(a) Sale of Products (including Excise Duty)		
Plastic Films	4,11,064.80	3,28,058.95
Resins	25,556.25	13,363.01
Others	17,926.77	15,265.87
Sub Total (a)	4,54,547.82	3,56,687.83
(b) Other Operating Revenues		
Export Incentive Received	2,441.43	2,116.43
Sub Total (b)	2,441.43	2,116.43
TOTAL (a+b)	4,56,989.25	3,58,804.26

Note:

Goods and Service Tax (GST) has been effective from July 01, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 01, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the year ended March 31, 2019 are not comparable with those of the previous year.

Reconciliation of revenue from contract with customer:

Revenue from contracts with customer as per the contract price	4,62,312.35	3,62,687.52
Adjustments made to contract price on account of:		
a) Discounts and Rebates	(7,764.53)	(7,569.85)
b) Excise duty on Sale of Goods	-	1,570.16
Revenue from contracts with customer as per the Standalone Statement of Profit and Loss	4,54,547.82	3,56,687.83

Note 34. Other Income:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on Financial Assets measured at amortized cost		
From Loan and Deposits	3,204.99	2,979.62
From Customer	103.79	59.73
Rental income from investment property	275.14	260.53
Net gain on sale of investments measured at FVTPL	41.49	0.65
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	-	26.12
Income from Government Grants	249.88	104.06
Allowance of expected credit loss reversal	46.23	6.28
Other Non Operating Income	1,603.90	979.84
TOTAL	16,353.69	4,416.83

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 35. Cost of Materials Consumed:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Raw Material	2,57,924.08	1,97,281.72
Packing Material	14,893.26	13,448.15
TOTAL	2,72,817.34	2,10,729.87

Note 36. Changes in Inventory:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
OPENING STOCK		
Finished Goods	21,695.16	16,154.69
Stock in Process - Chips / Others	7,990.19	6,694.84
	29,685.35	22,849.53
CLOSING 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
Add : Increase / (Decrease) in Excise Duty on Stocks	-	(92.67)
Net Changes in Inventory	(7,011.72)	(6,928.49)

Note 37. Employees Benefits Expenses:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	30,399.89	26,824.04
Contribution to Provident and other Funds (Refer note 46)	1,641.45	1,292.59
Staff Welfare Expenses	2,419.02	2,206.87
TOTAL	34,460.36	30,323.50

Note 38. Finance Cost:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on Financial Liabilities measured at Amortized Cost	2,725.65	2,917.78
Exchange Differences regarded as an adjustment to Interest Cost	-	814.76
Other Borrowing Cost	182.28	210.62
TOTAL	2,907.93	3,943.16

Note 39. Other Expenses:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Stores & Spares Consumed	8,814.02	7,682.11
Power & Fuel	24,464.34	20,570.35
Repairs and Maintenance:		
Building	450.17	331.45
Property Plant & Equipment	3,635.41	2,649.13
Others	236.84	195.92
Rent	982.23	827.76
Insurance	1,349.25	1,165.53

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 39. Other Expenses: (Contd..)

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rates & Taxes	463.10	416.35
Freight	17,060.81	13,591.86
Other Selling Expenses	3,538.97	3,541.37
Legal & Professional Expenses	1,241.69	1,125.35
Auditor's Remuneration (Refer Note 57)	255.74	219.97
Travelling & Conveyance	2,040.01	2,040.63
Directors' Commission	275.00	70.00
Directors' Sitting Fee	32.50	31.50
Allowance for Expected Credit Loss	-	8.58
Bad Debts	0.84	71.61
Donation	8.50	7.08
Corporate Social Responsibility Expenditures	88.42	69.80
Property Plant & Equipment Written off	0.41	17.51
Net loss on sale of Property Plant & Equipment	20.31	-
Job Work Charges	-	0.03
Net loss on foreign currency transaction	-	4,235.90
MTM loss on derivative financial instruments measured at FVTPL	-	527.96
Miscellaneous expenses	4,885.05	3,124.58
TOTAL	69,843.61	62,522.33

Note 40. Tax Expenses:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax Expense		
Current Year	7,491.90	2,828.77
Tax of earlier years provided / written back	1.13	0.77
Deferred Tax Expense		
Origination & Reversal of Temporary Differences	(185.88)	148.37
TOTAL	7,307.15	2,977.91

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of effective tax rate		
Net Profit before taxes	65,672.44	31,389.63
Tax using the Company's domestic tax rate (34.608%)	22,727.92	10,863.32
Change in taxes on account of		
Weighted deduction on Research and Development Expenditure	(207.07)	(205.08)
Effect of accounting of tax holiday period	(1,279.58)	(534.98)
Promotion Privileges	(7,025.37)	(4,030.97)
Tax on income that is taxable at special rate	(2,568.89)	(505.18)
Effect of expenses that are non-deductible	811.49	764.56
Tax loss brought forward	(2,212.03)	(349.90)
Tax of earlier years provided / written back	1.12	(1.25)
Differential tax rate of Subsidiaries	(2,940.44)	(3,022.61)
TOTAL	7,307.15	2,977.91
Effective Tax Rate as reported in Profit & Loss Account	11.13%	9.49%

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 41. Other Comprehensive Income:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Items that will not be Reclassified to Profit or Loss:		
Re-measurement Gain / (Loss) on Defined Benefit Plans	(199.08)	113.34
Less: Income Tax related to Re-measurement Gain / (Loss) on Defined Benefit Plans	8.11	7.93
Items that will be Reclassified to Profit or Loss:		
Gain / (Loss) on change in Fair Value of Investment	55.78	(133.20)
Transfer of fair value adjustment reserve on financial assets at FVTOCI to Profit & loss	233.04	-
Less: Income tax related to gain / (loss) on change in Fair Value of Investment	-	-
Foreign Currency Translation Reserve	1,115.44	22,863.65
TOTAL	1,197.07	22,835.86

Note 42. Events occurring after the Balance Sheet Date:

There are no events occurring after the Balance Sheet date for the financial year 2018-19 except Note No – 60 (SEC Case) & Note No – 52 (Proposed Dividend).

Note 43. 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 43: (Contd..)

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:

Currency	Financial Assets			
	As at March 31, 2019		As at March 31, 2018	
	Fx Amount	INR Amount	Fx Amount	INR Amount
USD	376.55	26,080.42	288.95	18,813.86
EURO	71.84	5,583.84	48.16	3,874.83
JPY	262.10	163.88	698.50	428.12
Others	129.56	255.08	96.50	139.49

(₹ in Lacs)

Currency	Financial Liabilities			
	As at March 31, 2019		As at March 31, 2018	
	Fx Amount	INR Amount	Fx Amount	INR Amount
USD	133.59	9,251.24	264.41	17,214.56
EURO	950.26	73,898.46	835.58	67,013.92
JPY	4.66	2.91	1.20	0.74
Others	0.02	1.41	-	-

(₹ in Lacs)

The following Sensitivity Analysis demonstrates the sensitivity in the USD, EURO, JPY and others to the Indian Rupee with all other variables held constant.

Particulars	Change in currency exchange rate	Effect on profit before tax	
		FY 2018-19	FY 2017-18
		USD	5%
	-5%	(683.42)	(16.94)
Euro	5%	(3,388.25)	(3,162.12)
	-5%	3,388.25	3,162.12
JPY	5%	8.07	21.37
	-5%	(8.07)	(21.37)
Others	5%	12.75	6.97
	-5%	(12.75)	(6.97)

(₹ in Lacs)

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 43: (Contd..)

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)

(₹ in Lacs)

Particulars	Contract Sell/ Buy	Currency	As at March 31, 2019	As at March 31, 2018
Forward Contracts	Baht/USD	USD	47.70	43.60
Forward Contracts	USD/Baht	USD	432.00	326.60
Forward Contracts	Baht/Euro	Euro	9.80	9.90
Forward Contracts	Euro/Baht	Euro	27.60	19.20
Forward Contracts	JPY/Baht	Japenese Yen	365.50	773.10
Forward Contracts	Euro/TL	Turkish Lira	87.00	68.00
Forward Contracts	TL/Euro	Turkish Lira	-	-
Forward Contracts	Euro/USD	USD	25.00	83.00
Forward Contracts	USD/Euro	Euro	-	-
Forward Contracts	Euro/Bhat	Euro	2.50	-
Forward Contracts	Euro/IDR	Euro	16.50	-
Forward Contracts	USD/INR	USD	37.50	22.80
Forward Contracts	EUR/INR	EUR	17.50	10.22
Forward Contracts	INR/USD	USD	-	4.12
Currency cum Interest rate swap	USD/Euro	Euro	-	21.74
Currency cum Interest rate swap	INR/Euro	Euro	185.74	65.35
Interest rate swap	INR/USD	USD	-	5.31

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.

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, 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
As at March 31, 2018			
INR	8,111.70	5,000.00	3,111.70
USD	42,238.92	38,581.67	3,657.24
Euro	12,377.39	5,754.90	6,622.49
Baht	23,597.90	-	23,597.91
Total	86,325.91	49,336.57	36,989.34

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 43: (Contd..)

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.

Particulars	Increase / Decrease in Basis Points	Effect on profit before tax	
		FY 2018-19	FY 2017-18
INR Borrowings	0.5%	(23.44)	(25.00)
	-0.5%	23.44	25.00
USD Borrowings	0.5%	(112.80)	(192.91)
	-0.5%	112.80	192.91
Euro Borrowings	0.5%	(49.82)	(28.77)
	-0.5%	49.82	28.77

(₹ in Lacs)

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. 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:

Particulars	As at	
	March 31, 2019	March 31, 2018
Ageing of Gross carrying amount		
Not Due	54,171.31	46,335.52
Upto 6 Months	5,824.12	8,375.38
6 to 12 Months	20.00	241.02
Above 12 Months	221.34	218.47
Gross Carrying Amount	60,236.77	55,170.39
Allowance for Doubtful debts	119.41	203.33
Net Carrying Amount	60,117.36	54,967.06

(₹ in Lacs)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 43: (Contd..)

Reconciliation of Loss allowance provision:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Balance at the Beginning	203.33	133.19
Impairment Loss Reversed	(8.58)	-
Additional Provision Created / (reversed)	(75.34)	70.14
Balance at the end	119.41	203.33

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 counterparties. Based on the assessment there is no impairment in other financial assets.

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:

Particulars	(₹ in Lacs)				
	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 43: (Contd..)

Particulars	Carrying Amount	Less than 6 months	6 to 12 months	> 1 years	(₹ in Lacs)
					Total
As at March 31, 2018					
Interest bearing borrowings (including current maturities)	86,325.91	55,387.75	5,364.66	25,573.50	86,325.91
Financial derivatives	320.05	320.05	-	-	320.05
Other liabilities	7,758.79	7,758.79	-	-	7,758.79
Trade Payables	26,746.39	26,746.39	-	-	26,746.39
Total	1,21,151.14	90,212.98	5,364.66	25,573.50	1,21,151.14

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.

The ratios at March 31, 2019 and March 31, 2018 were as follows:

Particulars	(₹ in Lacs)	
	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	3,256.32	3,256.32
Other Equity	2,73,867.80	2,51,566.37
Total Equity (A)	2,77,124.12	2,54,822.69
Non-Current Borrowings	24,548.04	25,481.97
Current Borrowings	41,875.13	48,388.24
Current Maturities of Non-Current Borrowings	12,150.45	12,364.17
Gross Debt (B)	78,573.62	86,234.38
Gross Debt as Above	78,573.62	86,234.38
Less: Cash & Cash Equivalents	33,370.06	35,934.80
Less: Other balances with bank	44,994.70	42,166.95
Less: Fixed Deposit with Banks (Non-current)	27,848.40	33,734.74
Net Debt (C)	(27,639.54)	(25,602.11)
Net Debt to Equity (C / A)	-10%	-10%

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 44. Financial Instruments (by category):

a. Financial Assets and Liabilities (by category):

(₹ in Lacs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI
Financial Assets						
Investments	1,088.22	-	11,227.95	93.97	-	13,254.85
Loans	-	2,697.47	-	-	2,427.73	-
Trade receivables	-	60,117.36	-	-	54,967.06	-
Cash and Cash Equivalents	-	33,370.06	-	-	35,934.80	-
Bank Balances other than above	-	44,994.70	-	-	42,166.95	-
Other Financial Assets	706.24	30,832.53	-	26.41	36,709.36	-
Total	1,794.46	1,72,012.12	11,227.95	120.38	1,72,205.90	13,254.85
Financial Liabilities						
Borrowings	-	66,423.17	-	-	73,870.21	-
Trade payables	-	23,530.07	-	-	26,746.39	-
Other Financial liabilities	303.01	23,612.45	-	320.05	20,122.96	-
Total	303.01	1,13,565.69	-	320.05	1,20,739.56	-

b. Fair values of Financial Assets and Liabilities:

(₹ in Lacs)

Particulars	Fair Value Hierarchy		
	Level 1	Level 2	Level 3
As at March 31, 2019			
Financial assets			
Investment	-	12,316.17	-
Derivatives	-	-	-
Forward contracts & swap	-	706.24	-
Financial liabilities			
Derivatives	-	-	-
Forward contracts & swap	-	303.01	-
As at March 31, 2018			
Financial assets			
Investment	-	13,348.82	-
Derivatives	-	-	-
Forward contracts & swap	-	26.41	-
Financial liabilities			
Derivatives	-	-	-
Forward contracts & swap	-	320.05	-

The Accounting Policy for fair value has been defined in Note 2(u) Financial Statements.

Valuation process and technique used to determine fair value:

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 44: (Contd..)

Particulars	Fair value hierarchy	Valuation technique	Inputs used
(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.

Note 45. 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:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from External Customer		
With in India	90,542.38	79,349.95
Outside India	366,446.87	279,454.31
Total Revenue	456,989.25	358,804.26
Non Current Assets		
With in India	34,911.85	33,845.95
Outside India	217,215.75	195,714.28
Total Non Current Assets	252,127.60	229,560.23

(ii) **Revenue from major customer:** There is one customer having revenue amounting to 10% or more of Group's total revenue.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 46. 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 and Loss are as under:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employer's Contribution to Provident Fund	316.71	264.06
Employer's Contribution to Superannuation Fund	86.71	70.68

b. 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.

c. 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:

d. The disclosures required under IND-AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

Particulars	Gratuity		Compensated Absences	
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2019		As at March 31, 2018	
(₹ in Lacs)				
a) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation:				
Defined Benefit Obligation at beginning of the year	1,080.89	255.80	1,001.31	232.35
Current Service Cost	336.58	73.96	93.35	28.76
Interest Cost	62.42	14.77	77.10	17.89
Actuarial (Gain) / Loss	(3.24)	87.42	(44.55)	(23.20)
Benefit Paid	(62.87)	(73.87)	(46.32)	-
Defined Benefit Obligation at year end	1,413.78	358.08	1,080.89	255.80
b) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets:				
Fair value of Plan Assets at beginning of the year	1,195.52	-	974.34	-
Expected return on Plan Assets	75.66	-	80.70	-
Actuarial Gain / (Loss)	19.96	-	(7.03)	-
Employer Contribution	230.00	-	193.83	-
Benefit Paid	-	-	(46.32)	-
Fair value of Plan Assets at year end	1,521.14	-	1,195.52	-
c) Reconciliation of Fair Value of Assets and Obligations:				
Fair Value of Plan Assets as at year end	1,521.14	-	1,195.52	-
Present Value of Obligation as at year end	1,413.78	358.08	1,080.89	255.80
Net Assets/ (Liability)	107.36	(358.08)	114.63	(255.80)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 46: (Contd..)

Particulars	Gratuity		Compensated Absences	
	Funded	Non Funded	Funded	Non Funded
	As at March 31, 2019		As at March 31, 2018	
d) Expenses Recognized during the year:				
Current Service Cost	336.60	73.96	93.35	28.76
Interest Cost	62.42	14.77	77.10	17.89
Expected return on Plan Assets	(75.68)	NA	(80.70)	NA
Actuarial (Gain) / Loss	(23.20)	87.42	(37.52)	(23.20)
Expense Recognised in Statement of Profit & Loss	300.14	176.15	52.23	23.45
e) Remeasurements recognised in Other Comprehensive Income (OCI):				
Actuarial (Gain) / Loss for the year - Obligation	(3.24)	-	(44.55)	-
Actual return on Plan Assets less Interest on Plan Assets	(19.96)	-	7.03	-
Expenses Recognised in Other Comprehensive Income (OCI)	(23.20)	-	(37.52)	-
f) Sensitivity analysis for Significant Assumptions:				
Increase / (Decrease) in present value of defined benefits obligation at the end of year:				
1% increase in discount rate	(88.14)	(27.63)	(67.08)	(19.78)
1% decrease in discount rate	101.65	32.29	77.13	23.06
1% increase in salary escalation rate	100.34	31.87	76.90	22.99
1% decrease in salary escalation rate	(88.68)	(27.79)	(68.08)	(20.08)
g) Expected (Undiscounted) Benefits Payment in Future:				
Within next 12 months	307.95	64.72	246.64	44.14
Between 1 to 5 years	672.04	88.03	252.91	45.72
Between 6 to 10 years	667.96	57.74	189.62	20.84
h) Investment Details:				
LIC Group Gratuity (Cash Accumulation) Policy	100%	NA	100%	NA
i) Actuarial assumption				
Mortality Table (L.I.C)	2006-08		2006-08	
	IALM - Ultimate		IALM - Ultimate	
Discount Rate (per annum)	7.70%	7.70%	6.85%	7.70%
Expected Return on Plan Assets (per annum)	7.70%	NA	7.70%	NA
Withdrawal Rate	1% - 3%		1% - 3%	
Rate of Escalation in Salary (per annum)	8.00%		7.00%	
Retirement Age	58		58	

(₹ in Lacs)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 46: (Contd..)

e. Sick Leave: The Company has provided for its Sick Leave liability based on the actuarial valuation. The Outstanding liability as on March 31, 2019 and March 31, 2018 - ₹ 150.11 Lacs, and ₹ 114.77 Lacs respectively. The company had recognised ₹ 35.34 Lacs as an expense during the FY – 2018-19.

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 -

- 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.
- 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.
- Discount rate - Reduction in discount rate in subsequent valuations can increase the Plan's liability.
- Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- 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)

Particular	Employee Retirement Pension		Other employee benefits	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for long-term employee benefits at beginning of year	528.09	438.86	108.61	95.49
Included in Profit or Loss:				
Current service cost	61.46	168.86	18.92	8.58
Interest cost	22.58	23.57	2.75	2.56
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(3.51)	-	-
Financial assumptions changes	222.29	(123.31)	-	-
Experience adjustments	-	50.99	-	-
Benefits paid during the year	(68.54)	(93.66)	(24.85)	(8.62)
Translation Adjustment	(3.88)	66.29	4.79	10.61
Provision for long-term employee benefits at end of year	762.01	528.09	110.22	108.61

Long term employee benefit expenses included in the profit & loss consist of the following:

(₹ in Lacs)

Particular	Total Employee Pension	
	March 31, 2019	March 31, 2018
Current service cost	80.39	177.45
Interest cost	25.33	26.12
Total expenses recognised in Profit & loss	105.71	203.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 46: (Contd..)

The Company and its subsidiary expected to pay ₹ 484.15 lacs of long-term employee benefits during next year (2018 : ₹ 365.45 lacs)

As at 31 March 2019, the weighted average duration of the liabilities for the long-term employee benefits was 14-18 year (2018: 14-20 years)

Significant actuarial assumptions are summarised below:

Particular	Acturial Assumptions	
	March 31, 2019	March 31, 2018
Discount Rates	1.1% - 3.2% per annum	1.1% - 3.2% per annum
Salary increase rates	2.4% - 8.0% per annum	1.1% - 8.0% per annum
Turnover rates	3.8% - 20.0% per annum	3.8% - 20.0% per annum
Gold price	₹ 0.45 lacs per bhat weight	₹ 0.43 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 31 March 2019 and 31 March 2018 are summarised below:

Particular	Employee Retirement Pension		Employee Retirement Pension	
	Increase 1% - 10%		decrease 1% - 10%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate	(72.19)	(63.76)	82.63	63.65
Salary rate	133.08	84.37	(127.14)	(94.20)

Particular	Increase 10% - 20%		Decrease 10% - 20%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Turnover rate	(39.69)	(31.72)	54.61
Gold price rate	-	-	-	-

(₹ in Lacs)

Particular	Other employee benefits		Other employee benefits	
	Increase 1%		decrease 1%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate	(5.84)	(5.14)	6.52	5.78
Salary rate	-	-	-	-

Particular	Increase 20%		Decrease 20%	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Turnover rate	(19.13)	(15.56)	24.95
Gold price rate	21.85	21.72	(21.85)	(21.72)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 47. 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)

#Cease to be Director w.e.f 11.06.2018

Relative of Key Management Personnel

- a. Ms. Ritu Kothari
- b. Ms. Sakhi Saraf

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) Altivolus Infotech Private Limited
- iv) Dalhousie Villa Private Limited
- v) Bhilangana Hydro Power Limited
- vi) Kotla Hydro Power Private Limited
- vii) Punjab Hydro Power Private Limited
- viii) Abohar Power Generation Private Limited
- ix) Kanchanjunga Power Company Private Limited
- x) Utkarsh Trading and Holdings Limited
- xi) Suresh Surana & Associates, LLP *
- xii) RSM Astute Consulting Private Limited *
- xiii) Praxis Consulting & Information Services Private Limited

* Cease to be related party w.e.f 11.06.2018

• Nature of Transactions with Related Parties:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Material / Services		
Relative of KMP	31.48	29.70
Enterprises over which KMP have significant influence	10.63	31.10
	42.11	60.80
Services Rendered		
Enterprises over which KMP have significant influence	106.71	157.81
	106.71	157.81
Reimbursement of expenses from		
Enterprises over which KMP have significant influence	96.49	123.88
	96.49	123.88
Interest Received		
Enterprises over which KMP have significant influence	145.00	145.00
	145.00	145.00
Salary Expenses		
Relative of KMP	27.26	10.54
	27.26	10.54
Key management personnel compensation		
Managerial Remuneration	552.86	645.53
Commission to Director	275.00	70.00
Director's Sitting Fees	32.50	31.50
	860.36	747.03

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 47. Related Party Transaction: (Contd..)

Outstanding balances:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Receivables on account of sale of Goods / Services		
Enterprises over which KMP have significant influence	8.01	11.69
	8.01	11.69
Receivables on account of expenses recovered		
Enterprises over which KMP have significant influence	5.14	14.03
	5.14	14.03
Loan given to		
Enterprises over which KMP have significant influence	1,450.00	1,450.00
	1,450.00	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	395.00	70.00
Enterprises over which KMP have significant influence	-	5.18
	395.00	75.18

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, 2018, March 31, 2017 and March 31, 2016 other than that stated above.

Note 48. Contingent Liabilities not provided for and other commitments, in respect of:

a. Disputed matters under litigation:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Excise Duty, Customs Duty and Service Tax*	1012.04	395.47
Sales Tax and Entry Tax**	198.89	100.64
Income Tax	-	728.71
Others	33.62	30.01

*Amount deposited ₹ 353.86 Lacs (March 31, 2018: ₹ 3.62 Lacs;)

**Amount deposited ₹ 55.55 Lacs (March 31, 2018: ₹ 23.84 Lacs;)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 48: (Contd..)

b. Guarantees

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Guarantee given to/by the Bank and Others	1,17,499.54	82,229.99
Sanction amount	38,196.90	43,148.04
Utilised amount		

c. The Group 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 Group expects to meet its export obligations in future years. Export obligation as on March 31, 2019, and March 31, 2018 - ₹ 444.51 lacs and ₹ 1,060.61 Lacs respectively.

d. Service Agreements

Polyplex (Thailand) Public Company Limited (including Subsidiaries)

As at March 31, 2019, the Company had commitments totaling ₹ 191.91 Lacs (Previous Year - ₹ 198.39 Lacs) under various service agreements. These agreements expire between May 2019 and February 2022.

e. Contribution to Provident Fund as per Supreme Court Judgment:

There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact

Note 49. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of ₹ 9,266.93 Lacs (Previous Year: ₹ 6,490.83 Lacs)) amounts to ₹ 18,162.21 Lacs (Previous Year: ₹ 19,993.59 Lacs).

Note 50. Research and Development:

The revenue expenditure of ₹ 454.62 Lacs (Previous Year: ₹ 437.85 Lacs) and capital expenditure of ₹ Nil (Previous Year: ₹ Nil) on Research & Development are charged to the respective heads of account.

Note 51. 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:

Particulars	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
Pre-operative expenses brought forward	63.06	-
Raw Material Consumed	10.09	-
Power & Fuel	2.53	-
Interest on Term Loan	-	48.10
Miscellaneous & Other Expenses	14.00	14.96
Total	89.68	63.06
Less : Scrap Sales	0.46	-
Less : Allocated and Capitalised during the year	79.31	-
Balance Pending Allocation Transfer to Balance Sheet	9.91	63.06

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 52. Dividend Note:

Detail of dividend paid and proposed to be distributed:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Paid for Equity Shareholders	14,393.07	2,878.61
Corporate Dividend Tax	-	-
Dividend Proposed for Equity Shareholders	13,113.69	1,599.23
Corporate Dividend Tax	-	-

Note 53. 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

Sr. Particulars No	(₹ in Lacs)	
	As At March 31, 2019	As At March 31, 2018
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.	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 54. 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 these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Gross amount required to be spent by the group during the year	106.32	68.73
Amount spent during the year:		
Promoting Culture / Language	70.00	60.00
Promoting Education	18.42	9.80
Total	88.42	69.80

Note 55. Earnings per Share:

Particulars	Unit in	(₹ in Lacs)	
		Year ended March 31, 2019	Year ended March 31, 2018
Net Profit/Loss for the year	(₹ in Lacs)	33,003.07	15,945.31
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	(₹)	103.18	49.85
Diluted EPS	(₹)	103.18	49.85
Face Value per share	(₹)	10.00	10.00

Note 56:

a. Operating Lease

The Group has entered into operating lease agreement.

POLYPLEX CORPORATION LIMITED (including Subsidiaries)

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Total lease payment during the year (Recognized in Statement of Profit and Loss)	104.19	50.33
Minimum Lease Payments		
- Not later than one year	100.54	96.84
- Later than one year but not later than five years	19.63	59.25
- Later than five years	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

c. Finance Lease:

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

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Minimum Lease Payments		
- Not later than one year	-	32.19
- Later than one year but not later than five years	-	-
- Later than five years	-	-

Note 57. Auditor's Remuneration:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2019	Year ended March 31, 2018
Audit Fee	235.29	205.65
Tax Audit fee	3.00	1.00
Certification & Other fees	6.45	6.06
Out of Pocket Expenses	11.00	7.26
Total	255.74	219.97

Note 58. Movement in Deferred Tax:

Particulars					(₹ in Lacs)
	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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lacs)

Particulars	As at April 1, 2017	Recognized in P&L	Recognized in OCI	Other Adjustment#	As at March 31, 2018
Deferred Tax Assets					
Provision for long term employees benefits	163.29	6.07	-	32.92	202.28
Reversal of Others Expenses	229.60	(4.39)	-	23.09	248.30
MAT Credit Entitlement	1,981.31	-	-	(500.06)	1,481.25
Unused tax losses	3,062.91	3.16	-	231.25	3,297.32
Sub Total (a)	5,437.11	4.84	-	(212.80)	5,229.15
Deferred Tax (Liability)					
Property Plant & Equipment	122.05	134.91	-	-	256.96
Remeasurement of defined benefit obligations	(13.12)	18.30	7.93	-	13.11
Others	40.65	-	-	(16.34)	24.31
Sub Total (b)	149.58	153.21	7.93	(16.34)	294.38
TOTAL (a - b)	5,287.53	(148.37)	(7.93)	(196.46)	4,934.77

#Other Adjustment including FCTR

Note 59. Non-Controlling Interest:

A. Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal Place of Business	Effective ownership as at	
		March 31, 2019	March 31, 2018
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 Çözümleri Sanayi VE Ticaret Anonim Sirketi (PP)	Turkey	51.00%	51.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

B. Summarised Statement of Profit and Loss for the year ended 31 March 2019:

Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2019	March 31, 2018
Revenue	3,30,839.03	2,48,523.45
Profit for the Year	51,575.58	25,285.85
Total Comprehensive Income	46,485.06	48,380.74
Attributable to non-Controlling Interest	22,867.86	23,782.91
Dividends paid to non-Controlling Interest	6,570.48	5,048.73

C. Summarised Balance Sheet as at 31 March 2019 and 31 March 2018:

Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2019	March 31, 2018
Non- Current Assets	2,20,902.65	198,062.09
Current Assets	1,24,163.43	117,740.06
Total Assets (A)	3,45,066.08	315,802.15
Non-Current Liability	13,713.24	21,521.29
Current Liability	78,152.43	74,188.18
Total Liabilities (B)	91,865.67	95,709.47
Net Assets (A+B)	2,53,200.41	220,092.68

D. Summarised Cash Flows

Polyplex (Thailand) Public Company Ltd (CFS)	March 31, 2019	March 31, 2018
Net cash inflow from operating activities	51,001.24	33,094.29
Net cash inflow from investing activities	(32,274.91)	(10,128.19)
Net cash inflow from financing activities	(28,980.30)	(11,272.48)
Net increase /(decrease) in cash and cash equivalents	(10,253.98)	11,693.62

Note 60:

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 Liabilities under the head Other Current financial Liabilities (refer note no 29).

Note 61. Recent Accounting Pronouncements:

Ind-AS 116 Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind-AS 116, Leases. Ind-AS 116 will replace the existing leases Standard, Ind-AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind-AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and

liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind-AS 116 substantially carries forward the lessor accounting requirements in Ind-AS 17. The effective date for adoption of Ind-AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition: • Full retrospective – Retrospectively to each prior period presented applying Ind-AS 8 Accounting Policies, Changes in Accounting Estimates and Errors • Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as: • Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or • An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind-AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods. The Company is in the process of evaluating the impact of standards on its lease agreements in which it is a lessee.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Ind-AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind-AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind-AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind-AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind-AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of amendment to the Standard.

Amendment to Ind-AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the Guidance in Ind-AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The

amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the Financial Statements

Amendment to Ind-AS 23 - Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment

Amendment to Ind-AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind-AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

As per our report of even date

For S S Kothari Mehta & Co

Chartered Accountants
(FRN: 000756N)

Yogesh K Gupta

Partner
Membership No. 093214

Place: Noida

Date: May 17, 2019

For and on behalf of Board of Directors of Polyplex Corporation Limited

Pranay Kothari

Wholetime Director
DIN: 00004003

Manish Gupta

Chief Financial Officer

Place: Noida

Date: May 17, 2019

Brij Kishore Soni

Director
DIN: 00183432

Ashok Kumar Gurnani

Company Secretary
FCS : 2210

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	5	6	7	8	9	10	11	12												
Name of the Subsidiary	Polyplex (Asia) Pte. Limited	Polyplex (Thailand) Public Company Limited	Polyplex (Singapore) Pte. Limited	Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. Company Limited	Polyplex Trading (Shenzhen) Company Limited	PAR LLC	Polyplex America Holdings Inc.	Polyplex USA LLC	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	Singapore	Thailand	Singapore	Turkey	China	USA	USA	USA	Thailand	Indonesia	Netherlands	Turkey												
Reporting currency as on the last date of the relevant Financial year in the case of foreign subsidiaries.	U S \$	INR	Euro	Euro	RMB	U S \$	U S \$	U S \$	THB	IDR	Euro	TRY												
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	69.28	2.18	77.77	77.77	10.27	69.28	69.28	69.28	2.18	0.005	77.77	20.54												
Share Capital	11.30	782.88	9,000.00	19,627.62	91.45	7,111.98	40.36	3,138.76	27.31	280.38	22.00	1,524.19	466.16	32,296.19	462.09	32,014.22	106.50	232.26	33,75,000.00	16,305.77	2.00	155.54	1.00	20.54
Reserve & Surplus / (Deficit)	1,554.53	1,07,699.93	28,444.04	62,032.08	52.11	4,052.55	2,337.89	1,81,815.59	(19.00)	(195.06)	11.35	786.34	(96.05)	(6,654.47)	837.43	1,826.31	23,910.80	115.52	5.50	427.73	41.69	856.22		
Total Assets	1,605.86	1,11,256.15	90,302.63	1,96,936.17	143.61	11,168.42	2,495.74	1,94,091.44	8.68	89.11	20.21	1,400.18	477.01	33,047,901,457.35	1,00,967.17	1,124.38	2,452.10	68,03,771.52	32,871.32	27.36	2,127.76	201.40	4,136.33	
Total Liabilities	1,605.86	1,11,256.15	90,302.63	1,96,936.17	143.61	11,168.42	2,495.74	1,94,091.44	8.68	89.11	20.21	1,400.18	477.01	33,047,901,457.35	1,00,967.17	1,124.38	2,452.10	68,03,771.52	32,871.32	27.36	2,127.76	201.40	4,136.33	
Investment (other than in subsidiaries)	153.98	10,667.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Turnover/ Income	302.05	20,926.02	69191.76	1,50,896.60	0.01	0.78	1,244.23	96,762.64	0.21	2.16	1.01	69.97	0.25	17,321,724,511,19,476.38	1929.91	4,208.84	59,763.03	288.74	45.52	3,540.05	715.72	14,699.37		
Profit/ (Loss) Before Taxation	86.78	6,012.24	7,314.15	15,951.04	(0.61)	(47.44)	314.52	24,459.94	(3.67)	(37.68)	(0.16)	(11.09)	(0.82)	(56.81)	158.09	10,952.69	304.46	663.98	(11,423.58)	(55.19)	1.62	125.99	20.42	419.38
Provision for Taxation	7.20	498.83	-	-	0.00	-	6.44	500.83	-	-	0.10	6.93	-	2.13	147.57	60.40	131.72	621.33	3.00	0.32	24.89	4.49	92.22	
Profit/ (Loss) After Taxation	79.58	5,513.41	7,314.15	15,951.04	(0.61)	(47.44)	308.08	23,959.10	(3.67)	(37.68)	(0.26)	(18.01)	(0.82)	(56.81)	155.96	10,805.12	244.06	532.26	(12,044.91)	(58.19)	1.30	101.10	15.93	327.17
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
% of shareholding (Directly and/or through other Subsidiary(ies))	100.00%	51.00%	51.00%	51.00%	51.00%	100.00%	51.00%	51.00%	33.92%	51.00%	51.00%	51.00%												

Note:

- Names of subsidiaries which are yet to commence operations : PT Polyplex Films Indonesia (PT PFI)
- Reporting period for all subsidiary companies is from April 1, 2018 to March 31, 2019.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
NOT APPLICABLE, Company has no Associates and Joint Ventures

Place: Noida
Date: May 17, 2019

Pranay Kothari
Wholtime Director
DIN: 00004003

Brij Kishore Soni
Director
DIN: 00183432

Manish Gupta
Chief Financial Officer

Ashok Kumar Gurnani
Company Secretary
FCS: 2210

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

CIN: L25209UR1984PLC011596

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