

POLYGENTA TECHNOLOGIES LIMITED

Registered Office :- Kaledonia (HDIL) Building, Unit No.1B, 5th floor, Sahar Road, Off Western Express Highway, Andheri (East),
Mumbai, 400 069

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CIN: L17120MH1981PLC025388

Unaudited Financial Results for the Quarter ended 30th June 2016

Rs. in Lacs (Except per share data)

| Sr.No. | Particulars | Quarter Ended | Quarter Ended | Quarter Ended | Year Ended |
|--------|--|-------------------|-------------------|-------------------|-------------------|
| | | June 30 | March 31 | June 30 | March 31 |
| | | 2016 | 2016 | 2015 | 2016 |
| | | 1 | 2 | 3 | 4 |
| | | Unaudited | Audited * | Unaudited | Audited |
| 1 | Income from Operations | | | | |
| | a) Net Sales / Income from Operations (net of Excise duty) | 1,297.47 | 1,096.62 | 1,114.49 | 4,687.97 |
| | b) Other Operating Income | 26.05 | 6.68 | 14.79 | 35.45 |
| | Total Income from Operations (Net) | 1,323.52 | 1,103.30 | 1,129.28 | 4,723.42 |
| 2 | Expenses | | | | |
| | a) Cost of materials consumed | 1,126.14 | 1,021.45 | 817.13 | 3,809.11 |
| | b) Change in Inventories of Finished goods/Work in Progress | 88.47 | (212.44) | 178.71 | 113.38 |
| | c) Power & Fuel | 319.73 | 422.22 | 353.69 | 1,747.08 |
| | d) Employee benefits expense | 356.43 | 316.58 | 320.23 | 1,288.14 |
| | e) Depreciation & Amortization expense | 385.52 | 388.45 | 405.20 | 1,561.97 |
| | g) Other expenses | 228.44 | 242.65 | 229.29 | 849.64 |
| | f) Foreign Exchange (Gain)/Loss | 61.79 | 542.24 | (2.76) | 534.03 |
| | Total Expenses | 2,566.52 | 2,721.14 | 2,301.47 | 9,903.35 |
| 3 | Profit/(Loss) from operations before other income, finance cost (1-2) | (1,243.00) | (1,617.84) | (1,172.19) | (5,179.93) |
| 4 | Other Income | 21.95 | 43.77 | 17.81 | 105.36 |
| 5 | Profit/ (Loss) before finance cost (3+4) | (1,221.05) | (1,574.06) | (1,154.38) | (5,074.56) |
| 6 | Finance Costs | | | | |
| | Interest and other borrowing costs | 179.29 | (258.38) | 341.23 | 808.52 |
| | Applicable net loss on foreign currency transactions & translation | (7.71) | (368.73) | 558.75 | 346.41 |
| | Total Finance Cost | 171.58 | (627.11) | 899.98 | 1,154.93 |
| 7 | Profit/ (Loss) after finance cost & before exceptional items(5-6) | (1,392.63) | (946.95) | (2,054.36) | (6,229.49) |
| 8 | Exceptional items Income / (Expenses) | | | | |
| | - Reversal of Interest expenses pertaining to earlier years | - | (355.88) | - | (355.88) |
| 9 | Profit/(Loss) Before Tax (7+8) | (1,392.63) | (591.08) | (2,054.36) | (5,873.62) |
| 10 | Tax Expense | - | - | - | - |
| 11 | Profit /(Loss) after Tax (9-10) | (1,392.63) | (591.08) | (2,054.36) | (5,873.62) |
| 12 | Paid-up Equity Share Capital (Face Value of Rs.10 per share) | 14,605.07 | 14,605.07 | 14,472.57 | 14,605.07 |
| 13 | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | (19,298.42) |
| 14 | Earnings per Share (EPS) | | | | |
| | - Basic & Diluted EPS Before Exceptional items (Rs) | (0.95) | (0.65) | (1.42) | (4.30) |
| | - Basic & Diluted EPS After Exceptional items (Rs) | (0.95) | (0.41) | (1.42) | (4.06) |
| | See accompanying notes to the financial results | | | | |

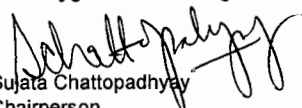


Notes

- 1 The above Unaudited Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on August 12, 2016. The Statutory Auditors have carried out Limited Review of the same in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The Company is engaged in the business of manufacturing and selling polyester filament yarn (PFY). All of the Company's operations are based in India and are subject to the same risks and returns. Therefore, no separate segment reporting is provided in terms of Accounting Standard-17, i.e. Segment Reporting.
- 3 During the quarter under review, the plant was shut for about a month to enhance the fine denier yarn making capacity and to carry out maintenance and modifications work to enhance the plant performance. In this Quarter, your company has been able to sell increased quantity to branded customers improving the operating performance. However, the impact of this improvement is offset by the costs related to plant shutdown. The Parent Company has confirmed its intentions to provide to the Company with the financial, technical and administrative support it may require to pursue the operations and honour commitments. The Majority Shareholder (Promoter) continued to support the operations and during the quarter have provided an additional amount of Rs 540.96 lacs as ECB to the company. Further, the Parent Company has also sanctioned an additional Euro 4.50 Millions of ECB to the Company which shall not have interest cost upto 30 Sep 2017.
Considering what is stated above, the accounts are prepared based on the Principal of a Going Concern.
- 4 As previously reported, in 2009 the Company procured External Commercial Borrowing (ECB) loans in the amount of Euro 15 Millions (equivalent to Rs 11,284.88 lacs as on 30th Jun 2016) from Finnish Fund for Industrial Corporation Ltd and Swedfund International AB. The Company has provided for interest liability up to 30th June 2016 of Rs. 3,684.52 lacs (equivalent to Euros 4.90 Millions) on the above loans. These lenders have now agreed to transfer the entire loan including the outstanding interest on these loans to your Company's parent company (viz. PerPETual Global Technologies Limited ('PGTL')). PGTL has also, in its support to the Company has agreed to take over this loan. Necessary applications in this regard has been made to the Authorised Dealer. As major portion of this loan is overdue, once the transfer of this loan to PGTL is concluded, PGTL will then be work towards restructuring this loan so as to reduce the financial burden in the near future on the Company.
- 5 The previous year's / period's figures have been re-grouped / re-arranged wherever necessary, to conform to the current period's presentation.
- 6 * The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the previous quarter of the last financial year.



For Polygenta Technologies Limited


Sujata Chattopadhyay
Chairperson
DIN :2336683

Place : Mumbai
Date : 12th Aug, 2016

LIMITED REVIEW REPORT

To,
The Board of Directors of,
POLYGENTA TECHNOLOGIES LIMITED

We have reviewed the accompanying statement of unaudited financial results of **Polygenta Technologies Limited** for the quarter ended June 30, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Accounting Standards notified under Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter:

- a) Without qualifying, we draw the attention to note no. 3 and note no. 4 of the attached financials results having prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of the business. The Company has incurred a loss of Rs. 1,392.63 Lacs during the quarter ended June 30, 2016 and as of the date its networth has been substantially eroded. Further, the Company has defaulted in dues to its lenders. These conditions indicate the existence of uncertainty that may cast doubt about the Company ability to continue as a going concern.

The Company continues to incur losses on account of sub-optimal scale of operations coupled with the overall weak economic conditions. The Management further explained that necessary modification is being and will be done in the plant to operate at optimum level and to further improve the quality of the product.

As explained by the management, the External Commercial Lenders (viz. Swedfund International AB and Finnish Fund for Industrial Corporation Ltd) whose dues are in default have now agreed to transfer their respective loans to the Company's parent company. On approval from RBI, once the transfer of this loan to PGTL is concluded, PGTL will then be work towards restructuring this loan so as to reduce the financial burden on the Company.

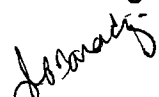


The Parent Company has confirmed its intentions to provide to the Company for the current financial year with the financial, technical and administrative support it may require in order to pursue the operations and honoring the commitments.

Accordingly, management believes that it is appropriate to prepare the financial results on going concern basis. Therefore, the financial results do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as going concern.

- b) Further, due to change in accounting software, the Company is in the process of updating its stock records. However, the management is confident that there will not be any material impact on the financial results after such updation.

**For Lodha and Co.
Chartered Accountants
Firm Registration No. 301051E**



**R. P. Baradiya
Partner
Membership No. 44101**

**Mumbai
August 12, 2016**

