



**POLYGENTA TECHNOLOGIES LIMITED**

**38<sup>th</sup> ANNUAL REPORT  
2019-2020**

**CORPORATE IDENTIFICATION NO.:** L17120MH1981PLC025388

**BOARD OF DIRECTORS :** Ms. Sujata Chattopadhyay      Chairperson, Independent Director  
Mr. Dhanvant Yeola      Executive Director (Technical)  
Mr. Ghanshyam Karkera      Independent Director

**CEO :** Mr. Makarand Kulkarni

**COMPANY SECRETARY :** Mr. Paresh Damania

**BANKERS :** RBL Bank  
Standard Chartered Bank

**AUDITORS :** **Bagaria & Co LLP**  
701, Stanford,  
Junction of S V Road and  
Burfiwala Marg,  
Andheri west,  
Mumbai : 400 058

**REGISTERED OFFICE :** Kaledonia (HDIL) Building,  
Unit No. 1B, 5<sup>th</sup> Floor,  
Sahar Road,  
Off Western Express Highway,  
Andheri (E),  
Mumbai : 400069

**FACTORY :** Gut No.265/1, 266,  
Village Avankhed,  
Taluka Dindori,  
District Nashik.  
Pin 422 202  
Maharashtra

<b>CONTENTS</b>	
<b>Particulars</b>	<b>Page No.</b>
Notice of Annual General Meeting	2
Directors' Report	15
Annexures to Directors Reports	
Annexure 'I' : Additional Information as required Under Rule 8 of the Companies (Accounts ) Rules, 2014 - Conservation of Energy, Technology Absorption etc.	21
Annexure 'II' : Company's Policy on Directors Appointment and Remuneration	22
Annexure 'III' : (A) Directors' Responsibility Statement as required Under Section 134(3) of The Companies Act, 2013 (the Act)	26
(B) Compliance With Code of Conduct:	26
Annexure 'IV' : Form No. AOC-2 - Related Party Transactions	27
Annexure 'V' : Secretarial Audit Report for the Year Ended 31 <sup>st</sup> March, 2020	28
Annexure 'VI' : Report On Corporate Governance	30
Annexure 'VII' : Management Discussion and Analysis Report	38
Annexure 'VIII' : Particulars of Remuneration as Per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	43
Annexure 'IX' : Comparison of Directors Remuneration with Median Employee Remuneration	45
Annexure 'X' : Form No. MGT-9 - Extract of Annual Return as on the Financial Year Ended on 31 <sup>st</sup> March 2020	46
Independent Auditors' Report	54
Balance Sheet	62
Statement of Profit and Loss	63
Cash Flow Statement	64
Statement of Changes in Equity for the year ended 31st March, 2020	65
Notes To Financial Statements	66

**NOTICE OF AGM – 2020**

NOTICE is hereby given that the 38th Annual General Meeting of Members of Polygenta Technologies Limited will be held on Wednesday, 23 September 2020 at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

**Ordinary Business:-**

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2020 together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dhanvant Yeola, who retires by rotation and being eligible, offers himself for reappointment.

**Special Business:-**

3. **Re-appointment of Ms. Sujata Chattopadhyay as Independent Director for second term of five years**

**To consider and, if thought fit, to pass the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to the Section 149, 152 and all other applicable provisions of the of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, the re-appointment of Ms. Sujata Chattopadhyay (DIN: 02336683) as Independent Director be and is hereby confirmed with effect from 31 March 2020 to hold office the second term of five consecutive years for a term up to 30 March 2025."

4. **Re-appointment of Mr. Ghanshyam Karkera as Independent Director for second term of five years**

**To consider and, if thought fit, to pass the following resolution as Special Resolution:**

**"RESOLVED THAT** pursuant to the Section 149, 152 and all other applicable provisions of the of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Mr. Ghanshyam Karkera (DIN:00001829) be and is hereby re-appointed as Independent Director with effect from 6 November 2020 to hold office for the second term of five consecutive years for a term up to 5 November 2025."

5. **Enabling power to Board to increase the remuneration of Mr. Dhanvant Yeola, Executive Director subject to upper limit**

**To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:**

**"RESOLVED THAT** the Board of Directors is hereby authorised to give increment/annual bonus to Mr. Dhanvant Yeola, Executive Director (Technical) upto a limit of Rs.48,00,000/- per annum considered on Financial Year basis. If he is employed for part of the financial year, the upper limit will be considered proportionately.

The remuneration aforesaid will be exclusive of:

- (i) Contribution to Provident Fund
- (ii) Gratuity payable in accordance with the rules and regulations of the Company
- (iii) Leave Encashment at the end of the tenure as per the applicable company policies"

6. **Adoption of the New set of Articles of Associations of the Company as per the Companies Act, 2013**

**To consider and, if thought fit, to pass the following resolutions as Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the set of regulations be and are hereby adopted as the Articles of Association of the Company in

substitution, and to the exclusion, of the set of regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution, including printing of the new Articles of Association and filing of the same with ROC & other authorities as may be required."

## 7. Preferential Issue of Equity Shares :

**To consider and, if thought fit, to pass the following resolution as Special Resolutions:**

**"RESOLVED THAT** pursuant to the provisions of sections 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) **(the "Companies Act")** and subject to the relevant provisions of the Memorandum and Articles of Association of the Company, and in accordance with the provisions of FEMA, 1999 and the applicable rules, regulations, guidelines and clarifications thereon issued by the Reserve Bank of India **("RBI")**, Government of India **("GOI")** or any other statutory/regulatory authorities and subject to all such approvals, permissions, consents and sanctions of any authorities and institutions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the authorities / authorities while granting such approvals, permissions, consents or sanctions, and which may be agreed to by the Board of Directors of the Company (the **"Board"**, which term shall be deemed to include any Committee or any person which the Board may nominate/ to exercise its powers, including the powers conferred under this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, by way of preferential allotment, in one or more tranche(s), to the person set out in the table below, up to 8,00,00,000 (Eight Crore) equity shares of nominal face value of Rs.10 (Rupees ten) each at par , ranking pari passu in all respects, including as to dividend, with the then existing equity shares of the Company, on such other terms and conditions, as the Board may deem appropriate in its absolute discretion:

Name of the Party	Number of Equity Shares
Perpetual Global GmbH , Germany	8,00,00,000

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary, expedient, usual, proper, incidental or desirable and to settle any question, difficulties or doubts that may arise in this regard to the offering, issue and allotment of the Equity Shares of the Company and the utilisation of the proceeds of the issue of the Equity Shares , and to prescribe the forms of applications, enter into any agreements or other instruments, and to take such actions/directions as they may consider as being necessary or desirable and to obtain any approval, permissions, sanctions which may be necessary or desirable as they may deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to accept any amendments, modifications, variations, alterations as the GOI, RBI or any other regulatory authority may stipulate in this respect."

## 8. Reclassification and Increase in Authorised Share Capital and modification of Capital clause V of Memorandum of Association:

**To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:**

**"RESOLVED THAT** the pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment or replacement thereof) **(the "Companies Act")**, the existing authorised capital of the Company of Rs. 190,00,00,000 (Rupees one hundred and ninety crores) divided into 16,00,00,000 (sixteen crores ) equity shares of Rs. 10 (Rupees ten) each and 3,00,00,000 (three crores) preference shares of Rs. 10 (Rupees ten) each be and is hereby increased to Rs.240,00,00,000 (Rupees Two Hundred and Forty Crores only) divided into 24,00,00,000 ( twenty four crores) equity shares of Rs.10 (Rupees ten) each thereby reclassifying 3,00,00,000 (three crores) preference shares of Rs. 10 (Rupees ten) each to

3,00,00,000 (three crores) equity shares of Rs. 10 (Rupees ten) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Clause V of Memorandum of Association be altered by substituting Clause V as under:

- V. The Authorized Share Capital of the Company is Rs.240,00,00,000 (Rupees Two Hundred and Forty Crores Only) divided into 24,00,00,000 (Twenty Four Crores) equity shares of Rs. 10 (Rupees Ten) each.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board may nominate any person, an Allotment Committee already constituted, or a duly constituted committee and grant such person or committee powers including to take such steps and to do all such acts, deeds, or things and resolve any doubts or questions that may arise in this regard and do all necessary filings with the Registrar of Companies."

#### **9. Amendment to Object Clause of Memorandum of Association**

**To consider and, if thought fit, to pass the following resolutions as Special Resolutions:**

**"RESOLVED THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, Object Clause III(A)(4) of Memorandum of Association be altered by substituting the said clause as under:

To carry on the business of manufacturers, researchers, processor and/or importers, exporters, buyers, seller, stockiest and distributors of and/or dealers in recycled plastic based products including but not limited to synthetic resins (such as PET chips), synthetic yarns and fibers, bottles, fabrics, films, esters / oligomers manufactured by recycling of plastic bottles, clothing, yarn, fabric, packaging, BOPET films.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient, or desirable including printing of the new Memorandum of Association and necessary filings with the Registrar of Companies."

#### **10. Ratification of the remuneration of Cost Auditor**

**To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes as approved by the Board of Directors, to be paid to the Cost Auditor - M/s CY & Associates, Cost Accountants (Registration No. 000334) appointed by the Board of Directors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified."

**By the Order of the Board of Directors  
For Polygenta Technologies Limited**

Paresh Damania  
**Company Secretary**

Place: Mumbai  
Date: 10 August 2020

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts relating to the business stated under Item No. 3 to 10 is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the Ministry of company Affairs (“MCA”) has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (“MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the Registered Office of the Company at Kaledonia (HDIL) Building, Unit No.1B, 5th Floor, Sahar Road, Off western Express Highway, Mumbai: 400069.
3. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual report 2019-20 will also be available at on the Company’s website [www.polygenta.com](http://www.polygenta.com).
4. Since this AGM is being held through VC / OVAM, the facility for appointment of proxy by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this notice.
5. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 16 September 2020 through email to [companysecretary@polygenta.com](mailto:companysecretary@polygenta.com). The same will be replied by the company suitably.
7. The register of members and the share transfer books of the Company will remain closed from Thursday, 17 September 2020 to Wednesday, 23 September 2020 (both days inclusive) for annual closing.
8. Members are requested to notify immediately any change in their addresses, email address, bank particulars etc.

**9. Voting through Electronic Means:**

In compliance with section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014 read with MCA’s General Circular No.20/2020 dated 5 May 2020, the Company is pleased to offer e-voting facility which will enable the members to cast their vote electronically. The facility of casting the votes by the Members using an electronic voting system prior to AGM and during the AGM will be provided by Link Intime India Private Limited (“LIPL”).

The instructions for members for voting electronically are as under:

- (i) The voting period begins on Sunday, 20 September 2020 at 9.00 a.m. and ends on Tuesday, 22 September 2020 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 16 September 2020 may cast their vote electronically.
- (ii) Shareholders who have already voted prior to the meeting date may also attend / participate in the AGM through VC / OVAM but would not be entitled to cast their vote again.
- (iii) Remote e-Voting Instructions for shareholders are as under:

Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

- a. Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

► Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

- Shareholders/ members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
- Shareholders/ members holding shares in NSDL demat account shall provide ‘D’, above
- Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

► Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

- b. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
- c. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
- d. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
- e. E-voting page will appear.



- f. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- g. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
- h. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- ☐ Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- ☐ Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

#### 10. Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
- B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.: Enter your mobile number.
- D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

#### **11. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

- i. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company through email to the email id: companysecretary@polygenta.com.
- ii. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- iii. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- iv. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- v. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

#### **12. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- i. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- ii. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- iii. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- iv. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

### 13. Guidelines to attend the AGM proceedings

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link [https:// www. webex. com/ downloads.html](https://www.webex.com/downloads.html)/ OR
- b) If you do not want to download and install the Webex application, you may join by following the process mentioned as under:

<b>Step 1</b>	Enter your First Name, Last Name and Email ID and Click on Join Now.
<b>1 (A)</b>	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now.
<b>1 (B)</b>	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on join now.

14. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members.
15. Ms. Shailashri Bhaskar, Practising Company Secretary (Membership No. FCS-5778 and CP No. 5092) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three days from the conclusion of the e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes in favour or against, if any, forthwith to the Chairperson of the Company.

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.****Item No.3****Re-appointment of Ms. Sujata Chattopadhyay as Independent Director for the second term of five years**

Ms. Sujata Chattopadhyay was appointed as an Independent Director of the Company w.e.f. 31 March 2015 for a period of five years. Her term ends on 30 March 2020. She has given her consent in writing to act as a Director of the Company. She was re-appointed as the Independent Director of the Company by the Board of Directors subject to confirmation of Shareholders at the General Meeting by Special resolution. Under explanation to section 152(6)(e) of the Companies Act, 2013 an Independent Director is not liable to retire by rotation.

Ms. Sujata Chattopadhyay, being eligible and offering herself for appointment, is proposed to be re-appointed as an Independent Director for the second term of 5 (five) consecutive years for a term up to March 30, 2025. She has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act. Further, as required under rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 she has declared that she is compliant with sub-rules (1) and (2) of rule 6 thereof and have also passed the proficiency self-assessment test as required under sub-rule (4) of rule 6 of the said rules

In the opinion of the Board, Ms. Sujata Chattopadhyay fulfils the conditions laid down for the appointment Independent Director under the Companies Act, 2013.

Ms. Sujata Chattopadhyay aged 55 (fifty five) years, is a Practising Company Secretary from Mumbai. She is also a fellow member of Institute of Costs Accountants of India. She is having over 32 (thirty two ) years of experience in the area of Finance, Cost accounts / cost audit and Company Secretarial work.

She is a Director of Steel Exchange India Limited, Vakrangee Limited, industrial Investment Trust Limited, IITL Projects Limited, Felguera Gruas Pvt. Ltd. and Resolve International Pvt. Ltd. Apart from being Director of Polygenta Technologies Limited; she is a member of the following committees of Polygenta - Audit Committee, Nomination and Remuneration Committee Stakeholders Relationship Committee and Allotment & Conversion Committee.

She does not hold by herself or for any other person on a beneficial basis, any share in the Company. She is not related to any other director of the Company.

The Board recommends the resolution for Shareholders' approval.

Except Ms. Sujata Chattopadhyay, who may be considered to be interested in the resolution to the extent of her appointment, none of the other Directors and Key Managerial Personnel of the Company and their relatives may be in any way considered to be concerned or interested in this resolution.

**Item NO. 4****Re-appointment of Mr. Ghanshyam Karkera as Independent Director for the second term of five years**

Mr. Ghanshyam Karkera was appointed as an Independent Director of the Company w.e.f. 6 November 2015 for a period of five years. His term ends on 5 November 2020.

Mr. Ghanshyam Vithaldas Karkera, being eligible and offering himself for appointment, is proposed to be re-appointed as an Independent Director for 5 (five) consecutive years for a term from 6 November 2020 to 5 November 2025. Under explanation to section 152(6)(e) of the Companies Act, 2013 an Independent director is not liable to retire by rotation. He has given his consent in writing to act as a Director of the Company. He has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act. Further, as required under rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 he has declared that he is compliant with sub-rules (1) and (2) of rule 6 thereof and have also passed the proficiency self-assessment test as required under sub-rule (4) of rule 6 of the said rules

In the opinion of the Board, Mr. Ghanshyam Vithaldas Karkera fulfils the conditions laid down for the appointment of Independent Director under the Companies Act, 2013.

Mr. Ghanshyam Vithaldas Karkera, aged 62 years, is a Practising Chartered Accountant from Mumbai. He is also a member of Institute of Company Secretaries of India and Institute of Cost Accountants of India. He is having over 41 years of experience in the area of Banking, Finance, Statutory Audits, Company Secretarial work and Management Consultancy.

He is a Director of Everest Kanto Cylinder Limited, EKC International FZE Dubai and Karkera Needz Pvt. Ltd. Apart from being Director of Polygenta Technologies Limited; he is a member of the following committees of Polygenta - Audit Committee, Nomination and Remuneration Committee Stakeholders Relationship Committee and Allotment & Conversion Committee.

He does not hold by himself or for any other person on a beneficial basis, any share in the Company. He is not related to any other director of the Company.

The Board recommends the resolution for Shareholders' approval.

Except Mr. Ghanshyam Vitaldas Karkera, who is interested in the resolution to the extent of his own appointment, none of the other Directors / KMP or their relatives is concerned or interested in this resolution.

#### **Item NO. 5**

##### **Enabling power to Board to increase the remuneration of Mr. Dhanvant Yeola, Executive Director subject to upper limit**

Mr. Dhanvant Yeola was appointed as the Executive Director wef 8 February 2019 for a period of three years. The Board was given enabling power by members to enhance remuneration upto Rs.30,19,500/-.The limit so fixed is not commensurate with the industry standard. It is proposed to increase the enabling power of the Board to increase the remuneration upto limit of Rs.48,00,000 .

The information as required under Schedule V to Companies Act, 2013 was already given at the time of Mr. Dhanvant Yeola's appointment in the last year's AGM Notice dated 28 May 2019, pursuant to which the resolutions for his appointment were approved by members at the AGM held on 6 August 2019. There is no major change in the information given in the said Notice.

Therefore, the Board recommends this resolution for approval of the members.

Mr. Dhanvant Yeola, Executive Director is interested in this resolution as it pertains to his own remuneration.

#### **Item no.6**

##### **Adoption of the New set of Articles of Associations of the Company**

A new set of Articles of Association (AOA) is proposed to be introduced for the following reasons:

- As the members are aware, Polygenta is delisted from BSE Limited w.e.f. 30 April 2020.
- There are many clauses in Articles of association of the Company giving certain rights to Ventureast Life Fund III. With mutual consent, all these rights to Ventureast Life Fund II are proposed to be withdrawn.
- Certain restrictive clauses are proposed to be added so that approval of holding company will be required to go ahead with certain business decisions.

As per the provisions of Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company needs to be approved by the shareholders of the Company.

The Board of Directors in its meeting held on 30 June 2020 has accorded its approval for adoption of a new set of regulations as AOA in substitution, and to the entire exclusion, of the set of regulations contained in the existing AOA.

The fresh set of Articles of Association is available for inspection of the registered office of the Company. A copy of the Articles of Association is also available on website of the Company at [www.polygenta.com](http://www.polygenta.com).

The Board of Directors recommends the Special Resolution for approval of the shareholders.

None of the Directors / KMPs of the Company is concerned or interested in any way in the resolutions

#### **Item no.7**

##### **Preferential Issue of Equity Shares**

The Board of Directors has decided to issue Equity Shares to Perpetual Technologies GmbH, which is a subsidiary of Polygenta's Promoter Perpetual Global Technologies Limited. The Special Resolution has been proposed under the provision of section 62(1)(c) of the Companies Act, 2013 ("the Companies Act").

The disclosures pursuant to the provisions of Rule 13(2)(d) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

**1. Object of the Issue:**

The object of the preferential issue is to mobilize funding for the setting up a new plant for manufacture of PET Chips (rPET chips) at the existing location of the Company's factory in Nashik, India.

**2. The Total number of shares and other securities to be issued**

Upto 8,00,00,000 Equity Shares

**3. The price or price band within which the allotment is proposed**

At par: Rs. 10/- per equity share

**4. Basis on which the price has been arrived at along with report of the registered valuer**

The registered valuer has arrived at price of Re.1 per equity share. However, since the Company cannot issue shares at a discount, the equity shares are proposed to be issued at Face Value of Rs.10/- per share. The Valuation report of registered valuer is available for inspection at the registered office of the Company.

**5. Relevant date with reference to which the price has been arrived at**

30 June 2020

**6. The class or classes of persons to whom the allotment is proposed to be made**

The proposed allottee is Perpetual Technologies GmbH. It is a subsidiary of the Polygenta's Promoter – Perpetual Global Technologies Limited.

**7. Intention of promoters, directors or key managerial personnel to subscribe to the offer**

The entire issue of equity shares is being offered to Perpetual Technologies GmbH i.e. the subsidiary of the Promoter – Perpetual Global Technologies Limited.

**8. The Proposed Time within which allotment will be completed:**

The allotment of the equity shares is expected to be completed within one year of the date of passing of the special resolution.

**9. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them**

The proposed allottee for Equity Shares pursuant to the special resolution of the notice and the percentage of expanded capital to be held by it after the proposed allotment of the said Equity Shares as per the said resolution are as under:

Name of the Proposed Allottee	Pre-Issue Equity Shareholding		Post-Issue Equity Shareholding	
	Number	%	Number	%
*PerPETual Technologies GmbH	Nil	Nil	8,00,00,000	33.9%

\*Perpetual Technologies GmbH is subsidiary of the Promoter of the Company i.e Perpetual Global Technologies Ltd.

**10. The change in the control, if any, in the Company that would occur consequent to the preferential offer**

None

**11. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as the price**

Nil

**12. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

Not Applicable

### 13. The pre issue and post issue shareholding pattern of the Company

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% age of shareholding	No. of Shares held	% age of shareholding
<b>A</b>	<b>Promoters' holding</b>				
1	Indian				
	- Individual	-	-	-	-
	- Bodies Corporate	-	-	-	-
	<b>Sub Total</b>	-	-	-	-
2	Foreign Promoters -Perpetual Global Technologies Limited	14,93,29,911	95.6%	14,93,29,911	63.2%
	Foreign Promoters Group - Perpetual Technologies GmbH			8,00,00,000	33.9%
	<b>Sub Total(A)</b>	<b>14,93,29,911</b>	<b>95.6%</b>	<b>22,93,29,911</b>	<b>97.1%</b>
<b>B</b>	<b>Non-Promoters' holding:</b>				
1	Institutional Investors	31,46,594	2.0%	31,46,594	1.3%
2	Non-Institution:				
	- Private Corporate	28,00,291	1.8%	28,00,291	1.2%
	- Directors and Relatives	1	0.0%	1	0.0%
	- Indian Public	2,65,887	0.2%	2,65,887	0.1%
	- Others (Including NRIs)	6,63,860	0.4%	6,63,860	0.3%
	<b>Sub Total(B)</b>	<b>68,76,633</b>	<b>4.4%</b>	<b>68,76,633</b>	<b>2.9%</b>
	<b>GRAND TOTAL</b>	<b>15,62,06,544</b>	<b>100.0%</b>	<b>23,62,06,544</b>	<b>100.0%</b>

The Board of Directors accordingly recommends the resolutions for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in any way in the resolution proposed to be passed.

#### Item no.8

#### Reclassification and Increase in Authorised Share Capital

- The present authorised share capital of the Company is Rs.190,00,00,000 (Rupees one hundred and ninety crores) divided into 16,00,00,000 (sixteen crores) equity shares of Rs.10 (Rupees ten) each and 3,00,00,000 (three crores) Preference Shares of Rs.10 (Rupees ten) each.
- The Company proposes to issue equity shares to Perpetual Technologies GmbH as discussed above.
- Accordingly, the authorised share capital must be reclassified/ increased so that the Company can issue equity shares.
- In accordance with the provision of the Companies Act, 2013 approval of the members is required to reclassify and increase the authorised share capital.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

#### Item No.9

#### Amendment to Object Clause of Memorandum of Association

The company intends to foray into various products so as to fully exploit the exploit the Group's patented recycling technology. Thus, it has proposed to amend the object clause.

The Original Clause being substituted is reproduced hereunder:

To carry on the business of manufacturers, researchers of processor and/or importers, exporters, buyers, seller, stockiest and distributors of and/or dealers in synthetic rubber and elastomers, synthetic resins (such as pet chips) oils, both vegetable and mineral, carbon black, leather, hides, skins, latexes and formulations thereof including reclaimed rubber and other kinds of resins, rubber, leather and plastic products and goods including footwear.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

**Item No.10****Ratification of the remuneration of Cost Auditor**

The Board of Directors has on recommendation of the Audit Committee, approved the appointment and remuneration of the Cost Auditors- M/s CY & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31 March 2021 at a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act,2013 ("the Act") read with the Companies (Audit and Auditors) Rules,2014 the remuneration payable to the Cost Auditors as recommended by the Audit committee and approved by the Board has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31 March 2020 by passing Ordinary Resolution.

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors and KMPs of the Company is concerned or interested in any way in the resolution proposed to be passed.

By Order of the Board of Directors  
For **Polygenta Technologies Limited**

Paresh Damania  
**Company Secretary**

Place: Mumbai  
Date: 10 August 2020

**Corporate Identification Number (CIN) - L17120MH1981PLC025388**

**Registered Office:** Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor,  
Sahar Road, off western Express Highway, Andheri East, Mumbai: 400069,  
Tel: +91 22 6215 4087 Fax: +91 22 6215 4003,  
E-mail: companysecretary@polygenta.com  
Website: <http://www.polygenta.com>



## DIRECTORS' REPORT

To,  
The Members of  
**Polygenta Technologies Limited,**

Your Directors present to you the **Thirty Eighth** Annual Report of Polygenta Technologies Limited (the "**Company**") and Audited Financial Statements for the financial year ended 31st March 2020.

### 1. FINANCIAL RESULTS

Particulars	Year Ended 31 <sup>st</sup> March 2020 (₹ in Millions)	Year Ended 31 <sup>st</sup> March 2019 (₹ in Millions)
Revenue from Operations	1151.8	945.7
<b>Profit/(Loss) before</b>		
<b>Depreciation and Interest</b>	127.2	(56.6)
Depreciation	159.5	167.5
Borrowing Cost	14.0	16.4
<b>Profit/(Loss) before</b>		
<b>Exceptional Items and tax</b>	(46.3)	(240.5)
Exceptional Items	-	-
<b>Profit/(Loss) before/after tax</b>	(46.3)	(240.5)
Balance Loss b/f from previous year	(4,157.3)	(3,916.8)
<b>Balance of Loss to be carried to Balance Sheet</b>	<b>(4,203.6)</b>	<b>(4,157.3)</b>

### STATE OF COMPANY AFFAIRS

The Directors take pleasure to inform you that after a period of eight years, the Company has achieved positive earnings before interest, depreciation, tax and amortisation ("EBIDTA") on annual basis and as a result, the quantum of net losses has reduced substantially as compared to past few years.

The operational efficiency and productivity has significantly improved during the year due to debottlenecking of the plant which resulted in improved product performance and thus increased sales to the brands. The Company is gradually becoming the preferred choice for more and more global brands for the supply of recycled yarns. It has also developed newer products (e.g. finer denier yarns, speciality yarns, etc.) and identified new markets and geographies for its products. As a result of the above, during the financial year 2019-2020, the sales in the premium segment increased to 6987 MT as against 4866 4MT in the previous year.

During the year under review, your Company earned export revenues aggregating Rs. 634.2 million (previous year Rs. 546.7 million) from export of polyester filament yarn ("PFY") and rPET chips.

### Status of Mega Project:

The Company's factory at Nashik has received eligibility certificate for availing benefits under the State of Maharashtra mega project program having completed the specified capital investments of Rs.2,500 million in relation to the manufacture of POY and DTY. The eligibility period for benefits, which was for 10 years starting from June 2009 and has come to an end during the year under review (i.e. in June 2019). The Company was eligible for financial benefits, including exemption from prescribed taxes and duties.

### Polygenta's response to COVID -19

The Novel Coronavirus ("COVID-19") has been declared a pandemic by the World Health Organization and has affected numerous countries, including India. In response to the developing COVID-19 situation, it was very important to ensure the safety of our employees as well as contribute our best efforts in containing the spread of COVID-19. Thus, as per the directions issued by Maharashtra Government, the plant was shut down from 23 March 2020 to 14 May 2020. "Work from Home" facility was introduced to certain categories of employees, wherever possible.

Polygenta's response to COVID -19 and its impact on the business is discussed under Management and Discussion Analysis.

### Health, Safety and Environment ("HSE") and Implementation of Key Process

Polygenta Technologies Limited. is committed to ensure a Safe, Healthy and Environment-friendly workplace to its employees, society at large and all the interested parties who are directly or indirectly involved in the operations and endeavour to comply with all the requisite obligations.

The organization follows well-defined safety management practices which includes a) Permit to work b) Management of change c) Learning from incidences d) Safe place safe visit e) Safety Induction to new joiners including casuals f) Periodic safety trainings and g) on the spot quiz competition related to safety culture. The organization is certified to ISO 14001:2015 and ISO 18001:2007 standards.

The 49th National Safety Week was celebrated at the Nashik site with great enthusiasm and participation at all levels by the employees. The theme for the year 2020 was 'ENHANCE SAFETY & HEALTH PERFORMANCE BY USE OF ADVANCED TECHNOLOGIES'.

Various competitions were organised during the safety week like:-i) Awareness sessions at shop floor on Safety values at shop floor and Preventive Measures for Corona Virus ii) Safety With Fun iii) Safety Quiz iv) Safe and Clean department Competition v) Blood Donation and Eye check-up camp vi) Safety Posters and Safety Slogan Competition. A great sense of involvement and the moral responsibility towards safety was seen amongst the employees. To motivate employees, prizes were also awarded to the winners of all the competitions.

The Company believes in environment protection and maintaining ecological balances. There is no discharge of effluents. The process water is treated in the in-house effluent treatment plant to ensure that the treated water meets the prescribed norms of the Maharashtra Pollution Control Board. The treated water is used for horticulture.

The company has a valid MPCB consent and the Company adheres to the standards for air emissions, waste water effluent treatment, and noise pollution as prescribed by Maharashtra Pollution Control Board.

## 2. DIVIDEND

The Company is unable to declare a dividend for the financial year ended 31st March 2020 due to its losses.

## 3. FINANCIAL REVIEW:

Polygenta's lead-promoter and majority shareholder, PerPETual Global Technologies Limited ("PGTL") continued its extraordinary support by waiving off the interest on the ECBs and extending out the repayment of ECBs. As on 31st March 2020, the outstanding ECB Principal payable (including assigned ECB) to PGTL aggregated to Rs. 3,040.2 million (including Rs. Nil drawn during FY 2019-20) under the ECB loan facility.

## 4. DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016.

Your Company has put in place adequate internal financial controls with reference to the financial statements and has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Indian Accounting Standards) Rules, 2015 that continue to apply under

Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013, to the extent applicable.

During the year under review, the Company has internally carried out a review of internal financial controls and based on the internal report, the Board is of the view that there are adequate internal financial controls over financial reporting which are operating effectively as on 31st March 2020.

## 5. MATERIAL EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Company's shares which were listed on BSE Limited are delisted with effect from 30 April 2020. Thus, the company is no longer a listed public company.

## 6. DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 are set out in a separate statement attached hereto and forming part of the report. (Annexure I)

## 7. DIRECTORS AND KEY MANAGERIAL PERSONS

Mr. M N Sudhindra Rao was relieved from his full time employment as MD & CEO and was re-designated as Non-Executive, Non-independent Director of the Company with effect from 6th April, 2019. Subsequently, he resigned and was relieved from the services of the Company with effect from 7 August 2019.

Mrs. Sujata Chattopadhyay's first term as an Independent Director for five years came to an end on 30 March 2020. She was re-appointed by Board of Directors for the second term of five years from 31 March 2020 for a period of five years, subject to approval of the members at the ensuing AGM. Your Directors have proposed her re-appointment as the Independent Director at the ensuing AGM in the Notice of AGM.

As at year-end, Mr. Dhanvant Yeola - Executive Director, Mr. Paresh Damania - Company Secretary and Mr. Rakesh Gaikwad - Chief Financial Officer were the Key Managerial Personnel of the Company.

Subsequent to the year end, nomination of Mr. Ramesh Alur as a Nominee Director on Board of Polygenta was withdrawn by Ventureast Life fund III with effect from 27 May 2020.

Mr. Ghanshyam Karkera's first term as an Independent Director for five years ends on 5 November 2020. Your Directors have proposed his re-appointment as the Independent Director for the second term of five years at the ensuing AGM in the Notice of AGM.

## 8. DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

The Company has received declarations from both the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, read with the Schedules and rules issued thereunder. Further, as required under rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 both the independent directors have declared that they are compliant with sub-rules (1) and (2) of rule 6 thereof and have also passed the proficiency self-assessment test as required under sub-rule (4) of rule 6 of the said rules.

The Independent Directors have complied with the code for independent Directors prescribed in Schedule IV to the Act.

## 9. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination and Remuneration (N&R) Committee has formulated a detailed Nomination Remuneration policy which, inter alia, deals with the manner of selection of Directors and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under section 178(3) of the Companies Act, 2013. The highlights of the Policy are given as 'Annexure II' forming part of this Report.

## 10. BOARD TRAINING AND INDUCTION

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia, explains the role, function, duties and responsibilities expected of the Director.

The Directors are also apprised about the various compliances under Companies Act, 2013 and Code of conduct of Independent Directors as per the Companies Act, 2013 and a confirmation is taken from them for compliance therewith.

By way of introduction to the Company, the Directors are presented the last three years' Annual Reports. Further, with a view to familiarise the new Directors with the Company's operations, when the business plan presentation is made to the Board, the familiarisation is also suitably combined therewith.

The CEO/Executive Director also has one-to-one discussions with the newly appointed Directors, and they attend an orientation at the company's factory. The above initiatives help the Directors to understand the Company, its business, the regulatory framework in which the company operates and equips the Directors to fulfill effectively their role as Directors of the Company.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT / CODE OF CONDUCT

The Directors Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 is given in 'Annexure III' forming part of this Report. The Code of Conduct of the Company is affirmed by the Directors and Senior Management and the receipt of the same is affirmed by the Executive Director in 'Annexure III' forming part of this Report.

## 12. NUMBER OF MEETING OF THE BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors have met six times during the year ended 31st March, 2020. The composition of the Audit Committee of Directors, Nomination and Remuneration Committee of Directors, and Stakeholders Relationship Committee of Directors, number of meetings held of each committee during the financial year 2019-20 and meetings attended by each member of the committee as required under Companies Act, 2013 are provided in Corporate Governance Report forming a part of the report in ANNEXURE VI. The recommendations by the Audit Committee as and when made to the Board have been accepted by the Board.

## 13. DIRECTORS EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, during the year, the Board has carried out an annual evaluation of its own Directors individually (including Chairperson) other than Nominee Directors of Lender/Investor. The performance of the Individual Directors was evaluated by the Board seeking input from all the other Directors. The Criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee

like leadership and stewardship abilities, contribution to clearly define corporate objectives and plans, meaningful and constructive contribution and inputs for effective meeting etc.

The Board has carried out an annual performance evaluation of its own performance and the Directors individually. The Evaluation was done on the criteria and framework recommended by the Nomination and Remuneration Committee and adopted by the Board. During the year under report, the Independent Directors met on 12 November 2019, inter-alia, to discuss:

- Performance Evaluation of Non Independent Directors and Board of Directors as a whole.
- Performance Evaluation of the Chairman of the Company.
- Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

The Board has also carried out an annual performance evaluation of its committees.

#### **14. PARTICULARS OF LOANS AND GUARANTEES OR INVESTMENTS**

Because there were no loans, guarantees, or investments given by the Company during the year, the Company is not required to comply with the provisions of section 186 of the Companies Act, 2013.

#### **15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A list of the transactions is referred to in Note No. 36 to the Financial Statements.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under the third proviso thereto, is disclosed in Form No. AOC-2, which is attached as 'Annexure IV' forming part of this report.

The Company's Related Party Transaction Policy, as approved by the Board, is uploaded on the Company's website at [http://www.polygenta.com/company\\_policies.html](http://www.polygenta.com/company_policies.html)

#### **16. RISK MANAGEMENT POLICY**

The Company has developed a Risk Management Policy. It seeks to identify risks inherent in the Company's business operations and provide guidelines to define, measure, report, control and mitigate the identified risks. The objective of the Company's Risk Management Policy is to create and protect shareholder value by prudently minimising threats or losses, and identifying and maximising opportunities. The policy endeavours to provide a practical enterprise-wide risk management framework that fosters employees integrating risk management into their everyday work.

#### **17. VIGIL MECHANISM (WHISTLE BLOWER ) POLICY**

The Company is committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. Accordingly, the Company has adopted a Vigil Mechanism Policy. The objective of the Policy is to enable any employee/director who observes a violation of the Polygenta Code of Conduct OR unethical practice (whether or not a violation of law) to approach the Vigil Officer without necessarily informing their line managers and without revealing their identity.

##### **SCOPE OF THE POLICY**

- (a) The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- (b) Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Vigil Officer or the Chairman of the Audit Committee or the Investigators.
- (c) Protected Disclosure will be appropriately dealt with by the Vigil Officer or the Chairman of the Audit Committee, as the case may be.

#### **18. CORPORATE SOCIAL RESPONSIBILITY**

The Company is not required to form a Corporate Social Responsibility Committee, as it does not satisfy the criteria as mentioned in Section 135 of the Companies Act, 2013.

## 19. SECRETARIAL AUDIT REPORT :

A Secretarial Audit Report given by A. Sekar, Practicing Company Secretary at Mumbai is annexed as '**Annexure V**', forming part of this report.

There are no adverse remarks in Secretarial Audit Report.

## 20. STATUTORY AUDITORS & AUDITORS' REPORT

Bagaria & Co. LLP was appointed as Statutory Auditors at the AGM held on 22 September, 2017 for the period of 5 Years from AGM 2017 to AGM 2022.

The comments of the Auditors in Auditors Report as regards material uncertainty related to going concern read with Note No.31 to the Financial Statements is self-explanatory.

## 21. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the cost records maintained by the Company relating to manufacturing of Textiles and Plastic & Polymers at its plant located at Avankhed (District Nashik) is required to be audited. This requirement has arisen for FY 2020-21 as the Turnover of these products has exceeded Rs.100 Crores for the year ended 31 March 2020. The Board of Directors of the Company has on recommendation of the Audit committee appointed M/s CY & Associates to audit the cost accounts for the FY 20-21 at a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus applicable taxes. As required under the Companies Act, 2013, the remuneration of cost auditors is required to be ratified by the members. Accordingly, a resolution seeking ratification of Members for the remuneration payable to M/s CY & Associates, Cost Auditors is included as an item of the Notice convening the AGM.

The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company for the financial year ending 31 March 2021.

## 22. FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year.

## 23. INSURANCE AND D&O POLICY

The Company has taken adequate insurance for all of its assets. The Company has also taken D&O Policy for adequate amount for its Directors and Senior Managerial Personnel.

## 24. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements stipulated under the SEBI Listing Regulations. The Report on Corporate Governance is annexed as '**Annexure VI**' forming part of this Report.

## 25. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under SEBI Listing Regulations is annexed as '**Annexure VII**' forming part of this Report.

## 26. PARTICULARS OF REMUNERATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Particulars of remuneration as per rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as '**Annexure VIII**' forming part of this Report.

## 27. COMPARISON OF DIRECTORS REMUNERATION WITH MEDIAN EMPLOYEE REMUNERATION

As per rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and other particulars are annexed as '**Annexure IX**' forming part of this Report.

## 28. INDUSTRIAL RELATIONS

Cordial industrial relations continued to prevail throughout the financial year under review.

## 29. ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as '**Annexure X**' to this Report.

A copy of the annual Return in Form MGT-7 is available on the website of the Company: [www.polygenta.com](http://www.polygenta.com)

## 30. COST RECORDS

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.



**31. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further details are given in Report on Corporate Governance as Annexure VI to Directors' Report.

**32. ACKNOWLEDGEMENT**

The Board wishes to place on record its appreciation for the valuable co-operation extended to the Company by its employees, governmental departments, lenders including its promoter, bankers, suppliers, and its customers for their continued considerable support.

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

**Sujata Chattopadhyay**

Chairperson

DIN: 2336683

Place : Mumbai

Date: 30 June 2020

## ANNEXURE 'I' TO DIRECTORS' REPORT

### ADDITIONAL INFORMATION AS REQUIRED UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

#### (A) CONSERVATION OF ENERGY DURING THE YEAR 2019-20

##### (a) Steps taken/impact of conservation of energy

- 1) Replaced existing conventional light fixtures in a phased manner (28 watt, 56 watt, 54 watt, 150 watt) by LED tube light (20 watt, 40 watt, 27 watt, 80 watt) across the plant. Estimated annual reduction in power consumption is 18939 Kwh thereby generating energy cost saving of around Rs. 0.15 million per annum.
- 2) The process has been modified in October, 2019 to reduce the power consumption during polymerization process. Estimated annual reduction in power consumption shall be 334000 Kwh thereby generating energy cost saving of around Rs. 2.67 million per annum.
- 3) After modification in EGR (Ethylene Glycol recovery ) process and increase in plant throughput (capacity), there is net saving in furnace oil consumption up to 0.02 Kg per KG of production (Polymer + Recovered EG). Estimated annual reduction in furnace oil consumption shall be 95.80 MT thereby generating energy cost saving of around Rs. 3.35 million per annum.
- 4) In September 2019 shutdown, we have resized some of the pumps in the process thereby reducing the capacity of motor to 7.5 Kw from 30 Kw. Estimated annual reduction in electrical energy consumption shall be 58320 Kwh thereby generating energy cost saving of around Rs. 0.46 million per annum.

##### (b) The Steps taken by the company for utilizing alternate sources of energy:

Fresh enquiry to study the site conditions to invest, install and operate the roof top solar panel to supply renewable electric power were sent to a few vendors. Site Study was conducted by them. Thereafter, enquiries were sent to vendors to supply solar power through banking mechanism of Open access route. However, considering cost-benefit analysis, the Company has not gone ahead in this matter as we will lose Textile Subsidy of Rs.2/- KWH available now, in case we switch over to such alternate source of energy.,

##### (c) The Capital Investment on energy conservation equipment:

The Company has spent Rs. 5 Million as capital investment on energy conservation equipment during the financial year 2019-2020.

#### (B) TECHNOLOGY ABSORPTION -

The Company uses a unique, cost-effective, proven chemical process that is specifically designed to accept all

grades of post-consumer PET as a feedstock which we have been using and improving continuously. We have been constantly upgrading the systems and the technology so that we are able to produce consistent quality. Significant improvements in the Ethylene Glycol Recovery process have been implemented to reduce the fuel consumption per kg of finish product produced.

- a) Efforts, in brief, made towards technology absorption, adaption and innovation

The Company has an on-going R&D programme focussed on optimising the existing process and developing new product range which shall help the company to grow in future and differentiate itself from other recycling companies in the world. The main areas of development are:

- Based on customer feedback, development of various types of value added polymers was carried out in our pilot facility like
  - Semi dull chips with low I.V of 0.52.
  - Bright Chips for film grade as well as textile grade.
  - Full Dull Chips
  - High IV Bottle grade chips
- Usage of esters (i.e. the output from our recycling unit) for making buttons
- Developing capability for using cheaper alternative raw materials has been a prime focus for the company. This year successful trials were conducted to produce polymer using textile garment waste in our pilot facility. A potential customer has converted these polymers into fabrics. Further technical optimisation is underway.

- b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

The benefits derived are that product shall be sent to customers for trial purpose and based on their feedback we can improve it further to a stage at which this becomes commercial saleable product to open new product business.

- c) The expenditure incurred on Research and Development:

Total cost of all above Pilot scale trials is Rs. 0.2 Million.

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGOINGS (RS. Million):

	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Total Foreign Exchange Earned	634.2	546.7
Total Foreign Exchange Used	32.4	21.8

**ANNEXURE II TO DIRECTORS REPORT****COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The Nomination and Remuneration Committee ("NRComm") has formulated a detailed Nomination Remuneration policy which, inter alia, deals with the manner of selection of Directors and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters as provided under section 178(3) of the Companies Act, 2013. The highlights of the Policy are as under:

**1) Appointment and Evaluation of Directors**

- a) Appointment Criteria, Selection, and Induction (including term and tenure)
  - i) For a candidate to be considered for selection as a Director, a candidate should:
    - (1) Be able to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively;
    - (2) Have excellent financial and/or business literacy and skills;
    - (3) Have appropriate other qualifications and experience to meet the objectives of the Company;
    - (4) Be prepared to devote time to update their knowledge and skills with the Company's latest developments and corporate governance best practices;
    - (5) Be willing to devote sufficient time and attention to the Company's business and discharge their responsibilities;
    - (6) Bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, and standards of conduct;
    - (7) Have the ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
    - (8) Be able to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees; and

- (9) Meet the requirements of the Companies Act, 2013 read with its rules for qualifications included in applicable provisions of Companies Act 2013, as well as other rules made thereunder, and Clause 49 of the Listing Agreement, if not otherwise enumerated above.

- ii) Candidates may also provide one or more of the following favourable attributes:

- (1) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service generally and stakeholders that are relevant to the Company's business and future objectives.
- (2) Related experience in management/governance of manufacturing companies with one or more of the following critical success factors:
  - (a) Achieving continuing innovation in its primary production processes; and
  - (b) Highly effective sales function that engages with global apparel, accessory and home furnishing brands with a product positioning that emphasises environmentally beneficial performance and benefits.

- iii) The NRComm shall design and oversee the orientation program for new Directors and will work with senior management to ensure that Directors are updated annually on commercial, operational, competitive, technological, regulatory, and compliance matters that materially affect the Company's business. This is to help equip Directors with the requisite information base to perform their duties.

**b) Performance Evaluation**

- i) The Directors of the Board will be evaluated by their peers as the NRComm determines it is required.
- ii) The basis for the evaluation will be a questionnaire that will be reviewed and modified from year to year as the NRComm sees fit, with input from the Directors and pertinent third party sources which the NRComm may or may not choose to employ at its discretion.



- c) Succession Planning – The NRComm will review at least once annually and otherwise as circumstances may require succession planning and provisions for the Company's Directors.
  - d) Appointment Process and Terms – The NRComm will be responsible for establishing and implementing a transparent process for the appointment of Directors to the Board which shall include:
    - i) Making recommendations as to the appropriate size, diversity and composition of the Board;
    - ii) Ensuring that upon appointment to the Board, Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;
    - iii) Identifying and recommending Directors who are to be put forward for retirement by rotation;
    - iv) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
    - v) Taking care that the Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years;
    - vi) Providing for the additional terms and conditions that apply to the appointment of Independent Directors as per provisions of the Act including that:
      - (1) An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
      - (2) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided further that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NRComm as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
      - (3) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is in compliance with the provisions under the Act.
- 2) Appointment and Evaluation of Key Managerial Personnel (“KMP”) and Senior Management**
- a) The NRComm shall identify and ascertain the integrity, qualification, expertise, and experience of the person for appointment to a KMP position or to a Senior Management level and recommend to the Board his / her appointment.
  - b) The NRComm shall obtain from Key Management Personnel their views as to the description of a given executive position to be filled, recommended relevant qualifications, expertise, experience and managerial and inter-personal/communication skills required by the position as well as candidates that the Key Management Personnel may have identified. The KMP shall also provide relevant market-based and other data as to the appropriate range of compensation for the executive position, including an indication of absolute levels, the mix of fixed and incentive-based compensation, and perquisites that may be included.
  - c) The NRComm may seek third party specialist advice and assistance with identifying and recruiting as it sees fit for the position taking into

consideration the Company's current operational size and financial condition;

- d) The NRComm shall apply the above information in evaluating available candidates and make a recommendation to the Board as to both the candidate and appropriate terms of compensation and employment;
- e) The NRComm shall complete a performance evaluation of all Key Management Personnel each year applying criteria established by the NRComm for the respective executive positions. The NRComm shall also review and advice on the performance evaluation policies, procedures, and execution of the same for the employees of the Company.
- f) Succession Planning - The NRComm will review at least once annually and otherwise as circumstances may require succession planning and provisions for the Company's KMP and Senior Management.

**g) Removal**

- i) Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the NRComm may recommend, to the Board with reasons recorded in writing, removal of a KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
- ii) KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain such KMP or Senior Management personnel in the same position remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**3) Remuneration Policy for non-executive Directors**

- a) The NRComm shall develop and recommend remuneration terms for non-Executive Directors subject to the following guidelines and the applicable rules and regulations of the Act and other applicable law:
  - i) The Directors' remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- ii) Sitting Fees: The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or other committees thereof provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or other committees or such amount as may be prescribed by the Central Government from time to time. The NRComm shall seek to recommend sitting fees that are commensurate with market practice for comparable companies in comparable industries, financial condition, and circumstances.
- iii) Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the corresponding percentage of the profits of the Company computed as per the applicable provisions of the Act.
- iv) The Independent Directors shall not be entitled to any stock options and may receive remuneration by way of fee for attending meetings of the Board or other committees thereof or for any other purpose as may be recommended by the NRComm and decided by the Board, always subject to the prevailing terms and provisions of the Act and other applicable law.

**4) Remuneration Policy for KMP, Senior Management, Wholtime and Executive Directors**

- a) The setting of remuneration for KMP, Senior Management, Wholtime and Executive Directors ("Executive Manager") shall be guided by the following principles:
  - i) To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Executive Managers and other employees of the quality required to run the Company successfully.
  - ii) No Executive Manager shall be involved in deciding his or her own remuneration;
  - iii) Prevailing trends in corresponding and similar industries and nature and size of business is kept in view and given due consideration in determining proper competitive quantum of remuneration;
  - iv) There is a clear relationship between (i) the level of remuneration and (ii) performance

and appropriate unambiguous performance benchmarks are set out and communicated;

- v) Improved performance should be rewarded by an increase in remuneration and suitable authority for value addition in the future;
- vi) Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long-term performance objectives appropriate to the Company's working and goals.
- vii) The following criteria are also to be considered:-
  - (1) Responsibilities and duties ;
  - (2) Time and efforts devoted;
  - (3) Value addition;
  - (4) Profitability of the Company and growth of its business;
  - (5) Analysing each and every position and skills for fixing the remuneration yardstick; and
  - (6) Standards for certain functions where there is a scarcity of qualified resources.
- viii) Other criteria that may be considered as applicable include:

(1) Consistent application of remuneration parameters across the organisation; and

(2) Whenever, there is any deviation from the policy, the justification /reasons should also be indicated / disclosed adequately.

b) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

c) NRComm may decide to develop an ESOP Policy and recommend to the Board based on the applicable Acts / Guidelines and consistent with the overall policy decided by the Shareholders at the General Meeting.

**ANNEXURE 'III' TO DIRECTORS' REPORT****(A) Directors' Responsibility Statement as required under section 134(3)(c) read with 134(5) of the Companies Act, 2013 (The Act):**

It is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- (ii) the Directors 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 at the end of the financial year and of the profit/loss of the Company for that year;
- (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) that the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

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

**Sujata Chattopadhyay**  
Chairperson  
DIN: 2336683

Place: Mumbai  
Date: 30 June 2020

**(B) Compliance with Code of Conduct:**

As provided under Regulation 34(3) read with Clause D of Schedule V to the SEBI Listing Regulations, the Board members and Senior Management Personnel have affirmed compliance with Code of Conduct of Board of Directors and senior management for the year ended 31st March 2020.

**For Polygenta Technologies Limited**

**Dhanvant Yeola**  
Executive Director  
Place: Mumbai  
Date: 30 June 2020

## ANNEXURE 'IV' TO DIRECTORS REPORT

### Form No. AOC-2

[ (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 ]

**Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis -

(a) Name of the related party and nature of relationship	----NIL----
(b) Name of contracts / arrangements / transactions	
(c) Duration of the contracts / arrangements / transactions.	
(d) Salient terms of the contracts or arrangements' or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

#### 2. Details of material contracts or transactions at arm's length basis

The Company has the following material contract or transactions entered into on an arm's length basis to report. The following contracts is with the Company's Promoter and majority shareholder Perpetual Global Technologies Limited (Mauritius) ("PGTL"). The pertinent details of each of the transactions are itemized below:

(a) Name of the related party and nature of relationship	PerPETual Global Technologies Limited - Promoter, Holding Company
(b) Name of contracts/arrangements/transactions	Sale of Company Products against 100% advance receipt
(c) Duration of the contracts / arrangements / transactions.	Material to be supplied upto 30th September 2020
(d) Salient terms of the contracts or arrangements' or transactions including the value, if any	Materials (Recycled Yarn) to be supplied at prices at arms' length prevailing on the date of supply of materials to the extent of Euro 3.0 Million.
(e) Date(s) of approval by the Board, if any	28th May 2019
(f) Amount paid as advances, if any	Amount received as advance: Nil Amount Repaid in 2019-20: Euro 175,000 (Equivalent to Rs. 13.9 Million)

**ANNEXURE 'V' TO DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT FOR THE YEAR  
ENDED 31ST MARCH 2020**

To  
The Members  
Polygenta Technologies Limited  
Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor  
Sahar Road, off Western Express Highway,  
Andheri (East)  
Mumbai: 400069

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representative during the conduct of secretarial audit, I hereby report that in my opinion the Company has during the period covering April 1, 2019 to March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period April 1, 2019 to March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent they are applicable to the company:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Share Based Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (i) Secretarial Standards Issued by The Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

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

**I further report that**

The Board of Directors of the Company is duly constituted and 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 and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision were carried through unanimously during the period under review, there being no dissent.

I further report that based on compliance mechanism established by the Company and on the basis of



compliance certificates issued by the Compliance Officer and taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Also, as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

I further report that during the audit period, the company has not undertaken any action having a major bearing on the company's affairs in pursuance of the above referred laws, except that in compliance of the SEBI (Delisting of Equity Shares) Regulations, 2009, the company complied with the formalities for delisting of equity shares during the year under review. Pursuant to its application for voluntary delisting of equity shares with the BSE, the trading of equity shares at the BSE was discontinued with effect from 23rd April, 2020 and the equity shares were delisted with effect from 30th April, 2020, in accordance with the notice issued by BSE dated 16th April, 2020. By the said notice, BSE has directed that the exit option will be kept open by the promoter/ acquirer of the company i.e. Perpetual Global Technologies Limited, for the remaining public shareholders for a period of minimum two years from the date of delisting at the rate of Re. 1/- (Rupee One only) per Equity Share, being the exit price determined.

Place: Mumbai  
Date: 30th June 2020

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN-A008649B000404044

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.**

#### **'Annexure A'**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. Following the nation-wise lockdown implemented by the Central and State Governments arising out of COVID-19 situation, the statutory records and extracts of the minutes of the meetings of the Board of Directors and their Committees held during the year under review were verified on the basis of soft copies of the documents and records shared by the Company.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records, Books of Accounts and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
5. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 30th June 2020

A SEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN-A008649B000404044

**ANNEXURE 'VI' TO DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE**
**1. Company's Philosophy on Corporate Governance Code:**

The Company's philosophy on Corporate Governance is to actively pursue and achieve sustained growth, transparency, disclosure, internal controls and internal and external communications,

and high standards of accounting fidelity. The Company has also complied with the listing requirements of the stock exchange where its shares were listed and SEBI Listing Regulations. The following is a report on the status and progress on major aspects of Corporate Governance.

**2. Board of Directors**

The Board of Directors consists of the following members:

Name of Director	Category of Directorship	Number of other Directorships	No. of Committee membership/ Chairmanship	No. of Committee memberships/ Chairmanships in all other Companies	Number of Board Meetings attended	Attendance at the last AGM Yes	Directorships in Other Listed Companies
Ms. Sujata Chattopadhyay	Chairperson Independent	7	2	4	6	Yes	Independent Director of following Listed Companies - Steel Exchange India Ltd. - Industrial Investment Trust Limited. - IITL Projects Limited. - Vakrangee Limited.
Mr. Ghanshyam Karkera	Non-Executive Independent	3	3	3	6	Yes	Independent Director of following Listed Companies - Everest Kanto Cylinder Limited
*Mr. Ramesh Alur	Non-Executive Nominee Director of VenturEast Life Fund III	6	3	3	1	No	-
**Mr. M N Sudhindra Rao	Managing Director & CEO upto 5 April 2019  Non -Executive Director wef 6 April 2019	4	3	-	1	No	Independent Director of Everest Kanto Cylinder Limited
Mr. Dhanvant Yeola	Executive Director (Technical)	-	3	-	6	Yes	-

\*Subsequent to the year end, Mr. Ramesh Alur resigned and was relieved as a Nominee Director of Ventureast Life Fund III wef 27 May 2020.

\*\* Mr. M N Sudhindra Rao, CEO was promoted as Managing Director & CEO of the Company with effect from 1st February 2019. With effect from 6th April 2019, he is re-designated as a Non-Executive, Non-Independent Director, on his request, consequent to his resignation and being relieved from service as an employee of the company. He resigned and was relieved as a Director w.e.f. 7 August 2019. The information given above is as on the date of his relieving.



There were six Board meetings held during the year ended 31 March 2020. These were on 28 May 2019, 12 August 2019, 10 October 2019, 12 November 2019, 7 February 2020 and 11 February 2020. The last Annual General Meeting (AGM) was held on 6 August 2019.

None of the Directors are related inter-se.

Mr. Dhanvant Yeola holds 1 (one) equity share of the Company. None of the other Directors hold any shares or convertible instruments of the Company.

Web link details of familiarisation programmes imparted to Independent Director: [www.polygenta.com](http://www.polygenta.com)

The Board of Directors have identified the following core skills/expertise/competencies in the context of its business to function effectively:

The present composition of Board of Directors has the above skills/expertise/competencies available and the Board is working effectively. The Skill matrix is given below:

	Ms. Sujata Chattopadhyay, Chairperson (Independent Director)	Mr. Dhanvant Yeola, Executive Director	Mr. Ghanshyam Karkera, Independent Director	Mr. Ramesh Alur, Nominee director of Ventureast Life Fund III
Overall expertise in Yarn Business		✓		
Finance Literacy	✓		✓	✓
Company Law Expertise	✓		✓	
Working knowledge of GST/ Income Tax	✓		✓	

It is confirmed, that in the opinion of the Board, the Independent Directors on the Board of Directors of the Company fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the Management.

### 3. Audit Committee

The Audit committee consists of three Non-Executive Directors out of which two are independent. The committee was set up by the Board of Directors on 22nd April 2001 and re-constituted from time to time. The terms of reference of the Audit Committee are as per the guidelines set out in the SEBI Listing Regulations and as prescribed under section 177(4) of the Companies Act, 2013. This includes, inter alia, overseeing financial reporting processes, examining of the financial statements and auditors report thereon, accounting policies and practices, evaluation of internal financial controls and risk management system, adequacy of internal audit function, and discussion with internal auditors on any significant findings, the recommendation for appointment,

remuneration and terms of appointment of the auditors of the Company, review and monitoring of the auditor's independence and performance and effectiveness of audit process, valuation of undertakings or assets of the company wherever it is necessary.

During the Financial Year Ended 31st March 2020, four Audit Committee Meetings were held. These were held on 28 May 2019, 12 August 2019, 12 November 2019 and 11 February 2020.

The Audit Committee consists of the following members:

Name of Director	Profession	No. of meetings attended
[#] Ms. Sujata Chattopadhyay	Company Secretary in Practice	4
Mr. Ghanshyam Karkera	Chartered Accountant in Practice	4
*Mr. M N Sudhindra Rao	Service	1
* Mr. Dhanvant Yeola	Service	3

[#] Ms. Sujata Chattopadhyay is the Chairperson of the Audit Committee.

\* Mr. M N Sudhindra Rao was appointed as an Audit Committee Member with effect from 8 February 2019. His membership as audit committee member came to an end on his resignation and relieving from Board wef 7 August 2019. Subsequently, Mr. Dhanvant Yeola was appointed as a member of the Audit committee wef 12 August 2019.

### 4. Stakeholders Relationship Committee Meetings

The Board constituted a "Shareholders Grievance & Share Transfer Committee" on 22nd April 2001. On 6th May 2014, this Committee was renamed as Stakeholders Relationship Committee and also is reconstituted from time to time. This Committee considers and resolves the grievances of the security holders. The share transfer work has been delegated entirely to M/s Universal Capital Securities Pvt. Ltd., the Registrar and Share Transfer Agents and this Committee overlooks the same. During the year ended 31st March 2020, two Committee Meetings were held on 12 August 2019 and 11 February 2020. The composition and attendance of these meeting are as hereunder:

Name of Director	No. of meetings attended
Mr. Ramesh Alur	1
Mr. Ghanshyam Karkera	2
*Mr. Dhanvant Yeola	2

\*Mr. M N Sudhindra Rao's term as a member of Stakeholders Relationship Committee ended on 7 August 2019, when he was relieved as a Director. Mr. Dhanvant Yeola was appointed as a member of Stakeholders Relationship Committee with effect from 12 August 2019.

Mr. Ghanshyam Karkera is the Chairman of the Committee.

Mr. Paresh Damania, Company Secretary acts as the Compliance Officer.

There was no complaint received during the year. The number of pending share transfer as on 31 March 2020 was nil.

## 5. Nomination and Remuneration Committee

The Remuneration Committee was formed to review the remuneration paid to Managing/Whole time Director from time to time. On 6th May 2014, the Remuneration Committee was renamed as Nomination and Remuneration Committee (N R Committee) in accordance with Section 178 of the Companies Act, 2013 and is re-constituted from time to time. The terms of reference of the Committee are in accordance with section 178 of the Companies Act, 2013 and are as under:

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carrying out the evaluation of every director's performance.
- Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee consists of the following Directors:

Mr. Ghanshyam Karkera -Chairman  
(Independent Director)

Ms. Sujata Chattopadhyay - Independent Director

Mr. Ramesh Alur - Director

During the financial year ended 31 March 2020, three Nomination and Remuneration Committee meetings were held. These were held on 12 August 2019, 12 November 2019 and 11 February 2020.

The attendance of these meeting is as hereunder:

Name of Director	No. of meetings attended
Mr. Ghanshyam Karkera	3
Ms. Sujata Chattopadhyay	3
Mr. Ramesh Alur	1

## 6. Remuneration of Directors

Independent Directors are paid Sitting Fees for Board Meetings and Audit Committee Meetings attended by them. The Sitting Fees are fixed based on the industry standard and are well within the permissible limit under Companies Act, 2013.

During the Year 2019-20 the following sitting fees was paid to Independent Directors:

Name of Director	Sitting Fees(₹)
Ms. Sujata Chattopadhyay (Independent Director)	3,00,000
Mr. Ghanshyam Karkera (Independent Director)	3,00,000
Mr. M N Sudhindra Rao	60,000
Ventureast Life Fund III (for meeting attended by its Nominee Director – Mr. Ramesh Alur)	30,000

The Directors are given appointment letters in which the terms of the services are mentioned. The notice period is not applicable to the Directors. Resignation takes effect on the date of receipt of a resignation letter or date mentioned in the resignation letter, whichever is later. Severance fees are normally not paid to the Directors.

The Directors were not given any Stock Options during the year under review. All the components of salary/professional fees and sitting fees are fixed and there is no component of Performance linked incentive.

## 7. Allotment and Conversion Committee

On 16th March 2009, the Allotment Committee was formed to consider the allotment of Compulsory Convertible Preference Shares ("CCPS"), Optionally Fully Convertible debentures ("OFCD") and other securities from time to time. On 20th September 2010, the Conversion Committee was formed to consider the conversion / transfers of Compulsory Convertible Preference Shares ("CCPS") Optionally Fully Convertible debentures ("OFCD") and other securities from time to time. On 6th May 2014, these two committees were merged and thus, the Allotment and Conversion Committee was formed.

The Allotment and Conversion Committee consists of the following Directors:

Mr. Ramesh Alur

Mr. M N Sudhindra Rao (with effect from 8 February 2019, upto 7 August 2019)

Mr. Dhanvant Yeola (with effect from 12 August 2019)

No meeting of Allotment and Conversion Committee Meeting was held during the year ended 31st March 2020.

## 8. Annual General Meeting

The previous three Annual General Meeting were held as per the details given below:

Year	Day	Date	Time	Venue
2017	Friday	22 <sup>nd</sup> Sept. 2017	04:00 p.m	Residency Hotel, Suren Road, Andheri Kurla Road, Near WEH Metro station, Andheri East, Mumbai : 400093
2018	Friday	27 <sup>nd</sup> Sept. 2018	04:00 p.m	The Mirador Hotel, Andheri-Ghatkopar Link Road, Chakala, Andheri East, Mumbai : 400099
2019	Tuesday	6 <sup>th</sup> Aug. 2019	04:00 p.m	The Mirador Hotel, Andheri-Ghatkopar Link Road, Chakala, Andheri East, Mumbai : 400099

The following resolutions are proposed as Special Resolutions for approval of the members at the ensuing AGM:

- Re-appointment of Mrs. Sujata Chattopadhyay as Independent Director for second term of five years.
- Re-appointment of Mr. Ghanshyam Karkera as Independent Director for second term of five years
- Adoption of the New set of Articles of Associations of the Company as per the Companies Act, 2013
- Preferential Issue of Equity Shares

During the year 31 March, 2020, Special Resolutions for voluntary Delisting of the equity shares of the Company (subject to Stock Exchange approval) were passed by members through Postal Ballot on 9 January 2020.

## 9. Means of Communication

The quarterly results are published in Financial Express (English Newspaper) and The Global Times OR Mumbai Lakshdweep (Marathi Newspapers). The said results are also published on the Company's website: [www.polygenta.com](http://www.polygenta.com). Official news releases are available on BSE's website [www.bseindia.com](http://www.bseindia.com) for any events upto 30 April 2020 i.e. effective date of delisting. No presentations were made to institutional investors or to the analysts during the year.

## 10. General Shareholder Information

### A. The 38th Annual General Meeting

Day	Date	Time	Venue
Wednesday	23 Sept. 2020	11.00 p.m.	Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") The deemed venue for the AGM shall be the registered office of the Company.

### B. Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March

### C. Dividend Payment Date

Not Applicable as no dividend is recommended.

### D. Listing on Stock Exchanges

The Equity Shares of the Company were listed on BSE Limited upto 30 April 2020.

The Company has paid the annual listing fees for the year 2019-20 and 2020-21 to BSE Limited.

The Script Code of the Company on BSE Limited was 514486.

### E. Market Price Data

Month	Bombay Stock Exchange	
	High	Low
April 2019	1.21	0.80
May 2019	-	-
June 2019	-	-
July 2019	0.92	0.80
August 2019	1.51	0.96
September 2019	1.38	1.04
October 2019	-	-
November 2019	-	-
December 2019	1.09	1.09
January 2020	1.14	1.14
February 2020	1.19	1.19
March 2020	1.36	1.24

The Company's shares were not traded on the Stock Exchange on a daily basis. Hence, the high and low prices of the shares are given as and when the shares were traded.

During the year, the BSE Index has decreased by 23.8% from 38,673 to 29468, whereas the Company's share price has increased by 6.6 % from Rs.1.27 to Rs.1.36.

#### F. Registrar and Share Transfer Agents

The name and address of the Company's Share Transfer Agents is as under:

M/s Universal Capital Securities Pvt. Ltd.  
(Formerly Mondkar Computers Pvt. Ltd.)  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (E) Mumbai:  
400 093 Phone No.: 28207203 / 28257641  
Telefax: 2820 7207

#### G. Share Transfer system

With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to the Share Transfer Agents. Shares for transfer are processed expeditiously within one month in the case of physical transfers.

#### H. Distribution of Shareholding as on 31st March 2020

Share Holding No.	Share Holders		Share Holdings		Share Amount	
	Number	% of Total	Holdings	% of Total	(₹) % of Total	
1	2	3	4	5	6	7
Up to 500	1,152	96.000	40,236	0.026	402,360	0.026
501 - 1,000	15	1.250	12,430	0.008	124,300	0.008
1,001 - 2,000	11	0.917	17,188	0.011	171,880	0.011
2,001 - 3,000	3	0.250	7,019	0.004	70,190	0.004
3,001 - 4,000	1	0.083	3,250	0.002	32,500	0.002
4,001 - 5,000	2	0.167	9,875	0.006	98,750	0.006
5,001 - 10,000	3	0.250	20,824	0.013	208,240	0.013
10,001 and above	13	1.083	156,095,722	99.929	1,560,957,220	99.929
<b>TOTAL</b>	<b>1,200</b>	<b>100.000</b>	<b>156,206,544</b>	<b>100.000</b>	<b>1,562,065,440</b>	<b>100.000</b>

#### I. Dematerialisation of Shares and Liquidity

The Company has entered into a contract with CDSL and NSDL.

As on 31st March 2020, 99.94% of the Company's listed shares were held in Dematerialized form.

Liquidity of Shares: The Equity Shares of the Company were included under XT category at the Bombay Stock Exchange, Mumbai. Subsequent to the year end, the shares have been delisted from BSE Limited wef 30 April 2020. As per SEBI regulations and specific requirement to Polygenta, the Exit Offer is open for public shareholder for a period of two years from the date of delisting i.e. 30 April 2020.

#### J. Outstanding Convertible Instruments

There are no outstanding convertible instruments as on 31st March 2020.

#### K. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company's key raw material is PET flakes, the cost of which does not vary significantly and

usually fluctuates within a narrow range of 10%. The Company except for some of its customers, usually does not enter into a fixed pricing arrangement and thus any adverse movement in the cost of raw materials is factored while quoting the prices to the customers. Further for some of the customers it has already devised a pricing mechanism of passing on the movement in the PET flakes pricing beyond the agreed percentage. It is pertinent to note that the demand for the Company's sustainable yarns and rPET chips is huge as there are very limited suppliers of such high quality products due to technology limitations.

The Company foreign currency exposure majorly comes from the following:

- ECB loans which are denominated in USD and Euro – Given the tight liquidity situation of the Company and in order to support, the parent company i.e. Perpetual Global Technologies Limited ("PGTL") which has provided these ECBs have waived interest on these ECB loans upto 31 March 2021. Further it has also been

extending out the repayment of these ECBs.

- Export sales: Export sales account for more than 50% of our total sales.

Presently, the Company has not hedged its foreign currency exposure given the tight liquidity situation and severe constraints on its credit limits. Further, when the ECB interest servicing and principal repayment will start, the Company will make an assessment of the natural hedge as available from the export sales and will work out adequate hedging mechanism subject to availability of limits from the banks.

#### L. Plant location:

Gut No. 265/1,266, Village - Avankhed, Taluka - Dindori, District - Nashik - 422 202.

#### M. Address for Correspondence:

The Shareholders may address their communications/suggestions/grievances/queries to:

Company Secretary,  
Polygenta Technologies Limited  
Kaledonia (HDIL) Building, 5<sup>th</sup> Floor, Unit No. 1B, Sahar Road, Off W.E.Highway  
Andheri East, Mumbai : 400069

OR

The Registrar and Transfer Agents  
M/s Universal Capital Securities Pvt. Ltd.  
(Formerly M/s. Mondkar Computer Services Private Limited)  
21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road,  
Andheri (East), Mumbai 400 093.

#### 11. Other Disclosures

The transactions carried out during the year with related parties, i.e. Promoters, Directors, Relatives or Management are mentioned in Note No. 36 to Financial Statements.

As mentioned in the Secretarial Audit Report, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

BSE had started levying penalty of Rs.10,000/- per day w.e.f. 28 October 2017 due to non-compliance of minimum public shareholding norms. However, basis the application made by the Company, BSE has waived the penalty so levied, during the period

under review. Subsequently, Polygenta's shares were also delisted from BSE with effect from 30 April 2020.

The Company has a Vigil Mechanism Policy in place and no personnel have been denied access to the Audit Committee.

The Company is in compliance with mandatory corporate governance requirements of SEBI Listing Regulations.

The Company has not adopted the non-mandatory requirements of Corporate Governance Requirements of SEBI Listing Regulations.

The Company does not have any subsidiary Companies nor does it intend to have a subsidiary company. Therefore, there is no requirement for a policy for determining material subsidiaries.

Policy on dealing with Related Party Transactions is available on [www.polygenta.com / company\\_policies.html](http://www.polygenta.com/policies.html).

Commodity price risk hedging is covered in Point No.10 (k) above.

A certificate from a Company secretary in practice is attached, stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by Board/Ministry of Corporate Affairs or any such statutory authority.

Total Fees for all services paid by the Company to the statutory auditors and all entities in the in the network entity of which the statutory auditors is a part is same as given in the Note No.29 to the Financial Statements for the year ended 31 March 2020.

#### DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

On 5th March, 2014, the Company has formed Anti Sexual Harassment Committee as required under the above Act. All female employees are member of this committee including one NGO. Meeting is conducted once in a month to address and resolve the issues, if any, of sexual harassment of women by following proper redressal procedure.

Summary of Complaints during financial year 2019 – 20 are as under:

#### 12. Discretionary Requirements

SN.	Description	Number of Complaints
1	Number of Complaints filed	0
2	Number of Complaints disposed	0
3	Number of Complaints pending	0



The following discretionary requirements as specified in Part E of Schedule II have been adopted:

- (a) The Company has moved towards a regime of financial statements with unmodified audit opinion. The Auditors have included an emphasis of matter statement as to the treatment of the Company as a going concern on which the management comments are given elsewhere in the Directors' Report.
- (b) The Company has appointed separate persons for the post of Chairperson and Executive Director.
- (c) The Internal Audit is done by an independent firm of Chartered Accountants which reports directly to the Audit Committee.

### 13. Compliance of SEBI Listing Regulations

The Company is in compliance with Corporate Governance requirements specified in the regulations 17 to 27 of the SEBI Listing Regulations.

The Company has disseminated all of the information as required to be disclosed under 46(2)(b) to (i) of the SEBI Listing Regulations on its website [www.polygenta.com](http://www.polygenta.com).

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sujata Chattopadhyay**

Chairperson  
DIN: 2336683

Place : Mumbai  
Date: 30 June 2020

### 14. Certificate on Corporate Governance

**Certificate on Compliance with Regulation 34(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 by Polygenta Technologies Limited**

To  
Board of Directors,  
Polygenta Technologies Limited

I have examined compliance by Polygenta Technologies Limited (the Company) with the requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2020.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said SEBI Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee. I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 30th June 2020

ASEKAR  
COMPANY SECRETARY  
ACS 8649 CP 2450  
UDIN: A008649B000404374

## 15. Certificate regarding qualification of Directors

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
Polygenta Technologies Limited  
Kaledonia (HDIL) Building,  
Unit No. 1B, 5th Floor, Sahar Road,  
Off Western Express Highway,  
Andheri (E), Mumbai 400069.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Polygenta Technologies Limited having CIN L17120MH1981PLC025388 and having registered office at Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor Sahar Road, Off Western Express Highway, Andheri (E) Mumbai 400069 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Ghanshyam Vithaldas Karkera	00001829	06/11/2015
2.	Ramesh Alur	00026462	25/03/2014
3.	Sujata Chattopadhyay	02336683	31/03/2015
4.	Dhanvant Hari Yeola	08325170	08/02/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 01/06/2020

Name: Ritika Agrawal  
Membership No.: 8949  
CP No.: 8266  
UDIN: F008949B00307368

**ANNEXURE 'VII' TO DIRECTORS REPORT****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Brief about Operations**

Polygenta currently operates from a plant near Nashik in the state of Maharashtra in India. The plant is 100% integrated from feedstock (using flakes from post-consumer waste PET bottles) through to the manufacturing of sustainable polyester filament yarn ("SPFY") and is currently operating at about 34 tons per day capacity depending upon the product-mix. Based on the current operating capacity the plant processes more than 2.5 million plastic bottles a day. These bottles are transformed chemically into a polyester polymer which in turn is then converted into a raw yarn ("POY") and then texturized to make a finished draw texturized yarn ("DTY"). Polygenta has also recently started making a higher margin yielding fully drawn yarn ("FDY"). Polygenta customers knit and/or weave these finished yarns into fabric for various applications including garments (e.g. sports apparel, women apparel, denim, casual wear, and uniforms), home furnishings, luggage, automotive fabrics, etc.

The products have received GRS (Global Recycle Standard) Certificate (for recycling content) from Control Union, Netherlands. The products also have been certified by the Hohenstein Institute, Germany with Oekotex Standard 100 Product Class I certificate, certifying that the products meet human-ecological protective standards for clothing for infants and young children.

**2. Discussion on Financial Performance with respect to Operational Performance**

During the financial year 2019-20, the operational efficiency significantly improved resulting in improved product performance thereby resulting in increased sales in premium segment to global brands. The Company is gradually becoming the preferred choice for more and more global brands for the supply of recycled yarns. It has also developed and established Recycled polyester chips product and very strategically established business with three customers in the American continent who supply to premium USA market. Apart from long term common goals of sustainability, these customers have geographical advantage being covered under NAFTA. Establishment of this product has opened new markets and geographies for our product which shall lead to large business volume in coming years. Due to these initiatives, the sales in the branded segment increased to 6987 MTs (from 4873 MTs in the previous year i.e. 2018-19). Similarly, year-to-

year, total sales volume of all products (i.e. Partially Oriented Yarns, Draw Texturized Yarn, and Polyester Chips) increased to 9060 MT (from 7190 MT in the previous year i.e. 2018-19).

During the year, the Company has commissioned the equipment for making Fully Drawn Yarn ("FDY"), a higher margin yielding speciality yarn. Shortly after commissioning of this machine in November, the COVID 19 pandemic broke out in entire South-East Asia which put brakes on the establishment of the product. The Company expects that after July 2020 the market establishment efforts shall be restarted, and we shall see significant financial contribution from this product from the third quarter onwards.

**3. Industry Structure Overview, Opportunities and Threats**

Recycling of all waste is a priority today to safeguard the environment. Worldwide, over half of post-consumer PET bottles, millions of metric tons of valuable petrochemicals, albeit in waste form, are not recycled at all – ending up in land-fill sites, the ocean, or being burnt for energy. This failure to achieve higher levels of recycling causes unnecessary generation of greenhouse gases and other environmental damage. Fortunately, societal awareness and pressure to change from all segments (consumer, business, and governmental) has been increasing, for example the Paris Agreement within the framework of the United Nations Framework Convention on Climate Change.

Of those post-consumer bottles which are collected and recycled globally, more than 70% is made into low end staple fibre. Most staple fibre producers use mechanical recycling processes, superficially cleaning and then flaking PET bottles, melting the PET flakes (and residual contaminants) at high temperature and then extruding staple fibre. The quality of the products produced by this method is relatively inferior and these products are normally sold at a discounted price compared to staple fibre made conventionally using virgin petrochemical feedstocks derived from crude oil. There are very few companies globally which have the know-how and technology to produce efficiently and consistently high quality filament yarn products from post-consumer plastic bottles. Your company is the only one in India that has the technology to produce high quality environmentally beneficial, sustainable polyester filament yarn from post consumed PET bottles using chemical recycling process.

**4. India Overview and Industry Outlook:**

The COVID-19 that started since January 2020



brought out an abrupt stoppage for almost all business starting from China and gradually spread across the world. As per government directives, your company was needed to take a shutdown from 23rd March 2020.

The overall situation in the textile industry is very gloomy and challenging. It is predicted that the garment retail markets shall shrink by about 25-30% during first two quarters of 2020-21 and about 10-15% for this financial year. This shall have a major negative impact on capacity utilisation for entire textile value chain. The effect shall be more prominent at the bottom layer of value chain i.e. fibre and yarn producers.

However, your company has managed well to restart the operations quickly subsequent to the year-end i.e. from 15th May 2020. Despite overall reduced requirements, all the brand customers have shown tremendous faith in Polygenta by preferring it over other recycled product suppliers. All major brands have placed considerable orders owing to superior quality of the product as well as the transparent ethical business practices adopted over the years. We expect that from second quarter onwards we should have normal operations and sales.

With various COVID related restrictions imposed throughout the country, the waste PET bottle generation as well as collection has been severely impacted. Your company has managed to collect necessary bottles and flakes for the plant start up. Lot of efforts are being put in along with our flake supplier to ensure that sufficient bottles supply is in place for our production. Your company is confident of collecting the necessary raw material to operate the plant throughout the year.

There is a growing trend of leading global apparel, footwear, and home furnishing brands to increase their use of high-quality sustainable filament yarns in the manufacturing of their products because of:

- Increases in consumer demand for products (without compromising quality) with the use of recycled and/or renewable source feedstocks to minimise harm to the environment.
- Polyester filament yarn has become the leading fibre of choice to meet global textile demand due to the rising world population. Producing sustainable polyester filament yarn from waste plastic (PET) bottles directly:
  - a) reduces the number of waste PET bottles which end up in landfill sites or the ocean; and

- b) Decreases greenhouse gases, water consumption, and the use of crude oil whose by-products are used to manufacture traditional polyester.

- Various brands have declared quite ambitious targets for increasing usage of recycled/sustainable products in their product basket by 2022. Some of the major brands like C&A, Target USA, Inditex, H&M, Adidas, Ikea, Decathlon, The North Face have targets ranging from 20% to 100% for converting current conventional polyester consumption to recycled polyester. This has sparked growing demand for recycled polyester.
- Polygenta completed "Life Cycle Assessment" study with the help of Think-Step, Germany during the year 2019-20 to map its carbon footprint. The study has shown that due to various measures taken by the company over few years the CO<sub>2</sub> generation for our recycled product is significantly less than the conventionally produced crude based polyester product (at polymer stage). This new information is being appreciated by our brand customers.

With the increasing costs in China and growing concerns about over-dependency on a single national source, India is becoming an attractive alternative source for procuring woven and knitted fabrics for brands and retail chains. As a combined effect of all these factors, we witnessed a major shift in the approach of brands and the support for sustainable products has become more active. This has helped to have a very healthy order book for 2020-21. Company is confident of achieving of more than 7300 MT premium sale during 2020-21 which shall lead to a positive outlook for the company.

These trends and a favourable outlook comprise the bedrock for Polygenta's singular strategic focus on manufacturing and selling polyester filament yarn made solely from sustainable post-consumer bottles. To help ensure a successful pursuit of this strategy, Polygenta is committed to be an enterprise that excels in transparency, technology innovation, environmental sustainability, the empowerment of its staff, and building mutually rewarding partnerships with all of its stakeholders.

## 5. Risks and Concerns:

While there is a bright outlook for the sustainable yarn and specialty segments of interest to Polygenta, the Company is cognizant that particularly in a sector such as polyester, one needs to be vigilant in identifying and actively and prudently managing risk

inherent to the business.

Generally, the Company identifies its risks in terms of market risk (including feedstock and product pricing, interest rate and foreign currency fluctuations), credit risk, infrastructure risk (hardware, software and IT) and operating risks (including but not limited to health, safety, environmental risks, and transactional/integrity control risks).

The Company is constantly seeking to manage its overall exposure to product, feedstock, and margin fluctuations. Similarly, the Company is actively pursuing export markets for its products first and foremost because of the excellent opportunities that the management believes those markets hold. Further, with the improvement in the product quality, the Company is working towards increasing sales in branded segments which unlike the polyester filament yarn made conventionally from petrochemicals, are affected less by fluctuations in the prices of crude oil prices.

With respect to operating risks, the Company continues to diligently strive for health, safety, and environmental performance levels that rank at the upper levels of its peers. With respect to transactional and integrity control risks, over the last year, the Board and management have taken several steps to review and strengthen operational and financial controls. These include identifying areas for improvement in financial controls, operations, SOPs, and protocols and authority's matrices and implementing measures to strengthen accordingly, recruiting experienced and proven senior management and new finance and accounts personnel, and arranging for relevant additional training for Company personnel.

Management is also aware that competition for talented personnel will only intensify in the future and the Company's personnel are a core and vital asset. To help ensure full develop and optimal retention of its this valuable asset, management is committed to investing in its development and providing through an exceptional work environment and training opportunities coupled with competitive and innovative compensation and incentive schemes.

## 6. Segment-wise Performance

All products relate to textile application and hence segmental reporting is not applicable.

## 7. Internal Control Systems and their Adequacy

The Company is constantly enhancing its internal control systems commensurate with the size and nature of its business. The Company has an external 'internal audit firm' K. K. Jhunjhunwala & Co. which submits its quarterly report to the Audit Committee, which in turn reports to Board of Directors.

The Internal Auditor provides reasonable assurance to the Board of Directors that the risk exposures the Company faces are understood and managed appropriately in dynamically changing contexts. The Company's internal audit focuses on Management/Operational Audit through transaction validation on value additions, systems improvement, and statutory compliances.

## 8. Human Resource Development:

The Management strongly feels that the Company's core strength lies in its human resources. Training and development of human resources is an ongoing priority for the Company as it seeks to become a leading innovator in its sector and perform at a very high standard in all aspects of its business and operations, particularly in a rapidly changing external environment. In pursuit of such high standards the company achieved certification for ISO 9001 (Quality); ISO 14001 (Environment) and OHSAS 45001 (Health and Safety). As on 31st March 2020, the Company had 258 employees on the payroll and 144 labourers on a contract basis.

**9. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation:**

Sr. No.	Particulars		2019-20	2018-19	Increase / Decrease	Detailed explanation in case of change in ratio more than 25% (N.A. in case change in the ratio is less than or equal to 25%)
1	Debtors Turnover	Ratio	9.98	11.70	-15%	N.A
2	Inventory Turnover	Ratio	6.62	6.50	-2%	N.A
3	Interest Coverage Ratio	Ratio	9.11	-3.25	Not Comparable	Interest coverage ratio is not comparable as there is positive ratio during the year (due to reduction in interest and increase in EBITDA) as against negative ratio during the previous year.
4	Current Ratio	Ratio	2.71	2.79	-3%	N.A
5	Debt Equity Ratio	Ratio	0.03	0.01	175%	The reduction in cash credit utilisation by 38% has resulted in reduction in Debt Equity Ratio.
6	Operating Profit margin (%)	%	0.11	-0.06	296%	The operational efficiency has significantly improved during the year resulting in improved product performance and thereby sales has increased by 22%. The operating margin has become positive during the year as against negative margin during last year.
7	Net Profit Margin (%)	%	-0.04	-0.25	84%	The operational efficiency has significantly improved during the year resulting in improved product performance and thereby sales has increased by 22%. Although the company continues to incur losses, the net losses reduction (because of the improved sales) has reduced the net loss margin.
8	Details of any change in return on Net worth	Ratio	-0.02	-0.12	-79%	Since the Company continues to incur losses, the return on network ratio continues to be negative, though there is reduction in negative return on Network.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Sujata Chattopadhyay**  
Chairperson  
DIN: 2336683

**Place: Mumbai**  
**Date: 30 June 2020**

*The Management of Polygenta Technologies Limited has prepared and is responsible for the financial statements that appear in this Report. These are in conformity with accounting principles generally accepted in India.*

*The Management also accepts responsibility for the preparation of other financial information that is included in this Report. Statements in the Annexure VII- Management Discussion and Analysis section describing the Company's progress, status, objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its current expectations and projections about future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in commercial market conditions, the political and economic environment in India and elsewhere, tax laws, litigation, labour relations, exchange rate fluctuations, interest expense, and other costs, which may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

# ANNEXURE 'VIII' TO DIRECTORS REPORT

## PARTICULARS OF REMUNERATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Names of the Top Ten Employees in terms of remuneration drawn and the names of every employee who; if employed throughout the financial year, was in receipt of remuneration for that year which in the aggregate not less than Rs.102 lakhs OR if employed for part of the financial year, was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than Rs.8.5 lakhs per month:

Name of the Employee	Designation of the employee	Remuneration received (₹)	Nature of employment, whether contractual or otherwise	Qualifications (and employee's years of experience)	Date of commencement of employment	The age of such employee (Years)	Employee's employer prior to joining the Company
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
*M N Sudhindra Rao	MD & CEO	1,160,000	Full time	B.Sc. CA (38 years)	17/07/2014	62	BLA Industries Pvt. Ltd.
Makarand Kulkarni	Chief Marketing Officer	8,185,032	Full time	B.E.Textile, (30 years)	01/04/2004	53	Textila India Private Limited
Dhanvant Yeola	Executive Director (Technical)	2,922,493	Full time	B.E -Instrumentation, M.B.A. (25 Years)	24/04/2008	48	Divine Polymer Ltd.
Paresh Damania	Company Secretary	2,492,208	Full time	B. Com., C.A., C.S. (32 years)	12/03/2009	53	Ethypharm LL Pvt Ltd.
Akhilesh Sharma	AGM-CP & Renew and POY	2,385,481	Full time	B. Sc. Dip. in Petrochem Engg B.Tech.-Chemical (24 years)	12/01/2009	50	JBF Industries Ltd
Sandeep Nevatia	Dy. General Manager - Marketing and Sales	2,298,829	Full time	B.E (Textile) (30 Years)	17/04/2017	53	Thai Acrylic Fibre Co. Ltd. (Aditya Birla Group)
J. Thirumurugan	AGM-DTY and Packing	1,909,148	Full time	Dip. in Man Made Fibre (25 years)	22/12/2008	47	Sanghi Polyester Ltd. Hyderabad
Shailendra Bhavsar	Senior Manager-Utility & Mechanical	1,718,502	Full time	B.E. (Mech) (21 years)	02/06/2008	45	Wartsila India Ltd.
Vijay Choudhary	Dy. General Manager-Marketing and Sales	1,640,613	Full time	M.Com, (33 years)	06/06/2008	57	DNH Spinners
Shrikant Kulkarni	Senior Manager -Procurement	1,461,207	Full time	MDBA. Marketing (23 years)	31/01/2013	47	Suzlon Energy, Vadodara
Vinayak Apte	Senior Manager	1,386,935	Full time	B.E.(Textile) (30 years)	15/07/2011	54	M/s Kapil Rayon India Pvt Ltd

\*Employed for part of the year upto 6 April 2019.

Notes:

- (1) Except Mr. Vijay Choudhury and Mr. Dhanvant Yeola, who hold one equity share each, none of the employees mentioned above holds any equity shares in the Company.
  - (2) None of the employee mentioned above is a relative of any director or manager of the Company.
  - (3) There is no employee who holds by himself or along with his spouse and dependent children, more than two percent of the equity shares of the Company.
- .....

## ANNEXURE 'IX' TO DIRECTORS REPORT

### COMPARISON OF DIRECTORS REMUNERATION WITH MEDIAN EMPLOYEE REMUNERATION

As per rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and other particulars are given as under:

(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Ratio of Remuneration of Executive Director vs Median remuneration 9:1  Note: Ratio of Managing Director's remuneration vs median remuneration is not given as MD was employed in his capacity as such only for 6 days of the year as per note given elsewhere and hence not comparable.
(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;	Executive Director (Mr. Dhanvant Yeola) – 22.64% Company Secretary (Mr. Paresh Damania) - 8% Chief Financial Officer (Mr. Rakesh Gaikwad) - 8%.
(iii)	the percentage increase in the median remuneration of employees in the financial year;	Increase by 1.82%
(iv)	the number of permanent employees on the rolls of company;	On-roll employees: 258 (as on 31-Mar-20)
(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;	8% average increase in the salary of employees other than Managerial Personnel.  Increase in Managerial Remuneration: 22.64% Justification: After MD&CEO left, the ED's responsibility has increased manifold. Also, to make it comparable with industry standard, ED's salary needed restructuring.
(vi)	affirmation that the remuneration is as per the remuneration policy of the company.	Yes



**ANNEXURE 'X' TO DIRECTORS REPORT**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31ST March 2020

**[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L17120MH1981PLC025388
ii)	Registration Date (DD/MM/YYYY)	06/10/1981
iii)	Name of the Company	Polygenta Technologies Limited
iv)	Category/ Sub-category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Kaledonia (HDIL) Building, 5 <sup>th</sup> Floor, Unit No. 1B, Sahar Road, Off Western Express Highway, Andheri East, Mumbai : 400069 Telephone No.: 022-62154087 Fax Number : 022-62154003 Email : info@polygenta.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar & Transfer Agents, if any	M/s. Universal Capital Securities Pvt. Ltd. (Formerly M/s. Mondkar Computer Services Pvt. Ltd.) Address :21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai : 400093 Telephone No. : 022 – 28207203 / 28257641 Fax No. : 022 - 28207207

**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 and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Manufacturing of Synthetic or artificial yarns, tenacity yarns whether or not texturized including high tenacity yarn	20203	82.2
2	Manufacture of moulded industrial accessories of plastic	22207	17.7

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PerPETual Global Technologies Ltd. - C/o AAA Global Services Ltd, 1st Floor, The Exchange, 18 Cybercity, Ebene, Mauritius	Not Applicable	Holding	95.60%	2(46)

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

##### (a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Sub- Total (A)(1)</b>	--	--	--	--	--	--	--	--	--
(2) Foreign									
a) NRIs –Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	117154908	--	117154908	75.00	149329911	--	149329911	95.60	20.60%
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Sub- Total (A)(2)</b>	117154908	--	117154908	75.00	149329911	--	149329911	95.60	20.60%
<b>Total shareholding of Promoter (A)=(A)(1)+A(2)</b>	117154908	--	117154908	75.00	149329911	--	149329911	95.60	20.60%
<b>B. Public Shareholding</b>									--
1. Institutions									--
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	3095594	51000	3146594	2.01	3095594	51000	3146594	2.01	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	3095594	51000	3146594	2.01	3095594	51000	3146594	2.01	--
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2747696	8,010	2755706	1.77	2792281	8,010	2800291	1.79	0.02
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	57494	40508	98002	0.06	53271	40388	93659	0.06	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	214728	--	214728	0.14	172229	--	172229	0.11	-0.03

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

## (a) Category-wise Share Holding (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians									--
Overseas Corporate Bodies	659378	18649983	19309361	12.36	659378	-	659378	0.42	-11.94
Foreign Nationals									--
Clearing Members	75	--	75	0.00	-	--	-	-	--
*Trusts	-	13525000	13525000	8.66	-	--	-	-	-8.66
LLP / Partnership Firms	10	--	10	0.00	10	--	10	0.00	--
HUF	2160	--	2160	0.00	4472	--	4472	0.00	--
Foreign Bodies- D R									--
<b>Sub-total (B)(2):-</b>	<b>3681541</b>	<b>32223501</b>	<b>35905042</b>	<b>22.98</b>	<b>3681641</b>	<b>48398</b>	<b>3730039</b>	<b>2.39</b>	<b>-20.60</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>6777135</b>	<b>32274501</b>	<b>39051636</b>	<b>25.00</b>	<b>6777235</b>	<b>99398</b>	<b>6876633</b>	<b>4.40</b>	<b>-20.60</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Grand Total (A+B+C)</b>	<b>123932043</b>	<b>32274501</b>	<b>156206544</b>	<b>100.00</b>	<b>156107146</b>	<b>99398</b>	<b>156206544</b>	<b>100.00</b>	

\*. Shares held by Trust disclosed above are the shares held by Trustees, Polygenta Stock Option Trust. As per the format of Shareholding Pattern prescribed under SEBI (LODR) Regulations, the said shares are grouped as 'Non Promoter Non Public'. Since MGT-9 Format does not have such category, the said shares are disclosed under Public Category.

## b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Perpetual Global Technologies Limited	117154908	75.00	20.66%	149329911	95.60	16.21	20.60%

## c) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name	Shareholding		Movement during the year			Cumulative Shareholding during the year	
		No. of Shares at the beginning (1-4-19) / end of the year (31-03-20)	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	PerPETual Global Technologies Limited	11,71,54,908	75.00%	01-04-2019			11,71,54,908	75.00%
				20/03/2020	3,21,75,003	Shares acquired through Delisting offer	14,93,29,911	95.60%
		14,93,29,911	95.60%	31/03/2020				

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

Sr. No.	Name	Shareholding		Movement during the year			Cumulative Shareholding during the year	
		No. of Shares at the beginning (1-4-19)/end of the year (31-3-20)	% of total shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	IFCI Ltd.	28,45,594	1.82%	1-4-2019/ 31-3-2020	No movement during the year		28,45,594	1.82%
2	VenturEast Life Fund III	20,03,735	1.28%	1-4-2019/ 31-3-2020	No movement during the year		20,03,735	1.28%
3	SL Trading Mauritius Ltd	6,59,378	0.42%	1-4-2019/ 31-3-2020	No movement during the year		6,59,378	0.42%
4	Imperial Consultants and Securities Pvt. Ltd.	6,06,000 6,50,535	0.39 0.42%	1-4-2019 10-01-2020 31-3-2020	44,535	Transfer	6,50,535	0.42%
5	SICOM Limited	2,50,000	0.16%	1-4-2019/ 31-3-2020	No movement during the year		2,50,000	0.16%
6	Sanosil Biotech Pvt. Ltd.	1,34,340	0.09%	1-4-2019/ 31-3-2020	No movement during the year		1,34,340	0.09%
7	Homi Farrok Kaka	79,168 79,213	0.05% 0.05%	1-4-2019 12-4-2019 19-4-2019 31-3-2020	30 15	Transfer Transfer	79,198 79,213	0.05% 0.05%
8	Jeegneshkumar Prakashbhai Vaghela	60,815 60,784	0.04% 0.04%	1-4-2019 09-8-2019 16-8-2019 23-8-2019 30-9-2019 31-3-2020	1 1 -12 -21	Transfer Transfer Transfer Transfer	60,816 60,817 60,805 60,784	0.04% 0.04% 0.04% 0.04%
9	Union Bank of India	50,000	0.03%	1-4-2019/ 31-3-2020	No movement during the year		50,000	0.03%
10	Miteshkumar Prakashbhai Waghela	15,000 18,142	0.01% 0.01%	01-04-2019 5-4-2019 12-4-2019 19-4-2019 26-4-2019 26-7-2019 30-8-2019 30-9-2019 20-3-2020 31-03-2020	-25 -45 -20 -30 -5 -2 -43 3312	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	14,975 14,930 14,910 14,880 14,875 14,873 14,830 18,142	0.01% 0.01% 0.01% 0.01% 0.01% 0.01% 0.01% 0.01%
11	# Empower Finance Ltd.	1,86,49,983 0	11.94% 0.00%	01-04-2019 13-03-2020 31-03-2020	-1,86,49,983	Tendered towards Delisting Offer	0	0.00%
12	# The Trustees Polygenta Stock option Trust	1,35,25,000 0	8.66% 0.00%	01-04-2019 13-03-2020 31-03-2020	-1,35,25,000	Tendered towards Delisting Offer	0	0.00%

# Not in the list of Top 10 Shareholders as on 31-03-2020. The same has been disclosed above, since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

## e) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	1	0%	1	0%
2	Date wise Increase / Decrease in Director/KMP Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
3	At the end of the year	1	0%	1	0%

## V. INDEBTEDNESS

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

(₹ In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	145.0	3,040.2	-	3,185.2
ii) Interest due but not paid	-	383.3	-	383.3
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>145.0</b>	<b>3,423.5</b>	<b>-</b>	<b>3,568.5</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	50.0	-	-	50.0
Reduction	(145.0)	-	-	(145.0)
<b>Net Change</b>	<b>(95.0)</b>	<b>-</b>	<b>-</b>	<b>(95.0)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	50.0	3,040.2	-	3,090.2
ii) Interest due but not paid	-	383.3	-	383.3
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>50.0</b>	<b>3,423.5</b>	<b>-</b>	<b>3,473.5</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Million)

SN	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		*Mr. M N Sudhindra Rao	Mr. Dhanvant Yeola	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.86	2.81	3.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify...			
5	Others, please specify : Mr. M N Sudhindra Rao's Sitting Fees mentioned in Table below as the same was paid in his capacity as Non-Executive, Non-independent Director as per Note given below			
	Total (A)	0.86	2.81	3.67
	Ceiling as per the Act	The remuneration paid is the remuneration as per Schedule III to the Companies Act, 2013.		

\* Mr. M N Sudhindra Rao was relieved from his full time employment as MD & CEO and was re-designated as Non-Executive, Non-independent Director of the Company with effect from 6th April, 2019. Subsequently, he resigned and was relieved from the services of the Company with effect from 7 August 2019.

## B. Remuneration to other directors

(₹ In Million)

		Name of Directors				Total Amount
		Mrs. Sujata Chattopadhyay, Independent Director	Mr. Ghanshyam Karkera, Independent Director	Mr. Ramesh Alur, Nominee Director of Ventur East Life Fund III	Mr. M N Sudhindra Rao	
1	Independent Directors					
	Fee for attending Board /committee meetings	0.30	0.30			0.60
	Commission					
	Others, please specify					
	<b>Total (1)</b>	<b>0.30</b>	<b>0.30</b>			<b>0.60</b>
2	Other Non-Executive Directors					
	Fee for attending Board committee meetings			0.03	0.06	0.09
	Commission					
	Others, please specify- Professional Fees					
	<b>Total (2)</b>			<b>0.03</b>	<b>0.06</b>	<b>0.09</b>
	<b>Total (B)=(1+2)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.03</b>	<b>0.06</b>	<b>0.69</b>
	Total Managerial					
	Remuneration					
	Overall Ceiling as per the Act	<b>*See Note below</b>				

\*Because the Company is making losses, the Company has paid only sitting fees to the Directors [other than Managing Director and Executive Director (Technical)]. The Sitting fees are well below the limits prescribed under Section 197 read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

(₹ In Million)

SN	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CS (Mr.Paresh Damania)	CFO (Mr.Rakesh Gaikwad)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.37	1.01	3.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>2.37</b>	<b>1.01</b>	<b>3.38</b>



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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**Bagaria & Co. LLP**  
**Chartered Accountants**

 01, Stanford, Junction of  
 S V Road & C D Burfiwala Marg,  
 Andheri (W), Mumbai

**Independent Auditor's Report**
**To The Members of Polygenta Technologies Limited**
**Opinion**
**Report on the Audit of Financial Statements**

We have audited the accompanying financial statements of **Polygenta Technologies Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its loss, 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Material Uncertainty Related to Going Concern:**

Without qualifying, we draw attention to note no. 31 to the financial statements of the Company having been prepared on a going concern basis which contemplates

the realization of assets and satisfaction of liabilities in the normal course of business. The Company has been continuously incurring losses over last several years and its net-worth stands fully eroded (without considering the ECBs which is considered as other equity in the financial statements). These conditions indicate the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern.

However, management believes that it is appropriate to prepare the financial statements on a going concern basis in view of reasons given here below and therefore, the financial statements 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 a going concern;

- (i) the Company's performance improved during the current financial year 2019-20 and it has been able to generate positive EBIDTA,
- (ii) the Company has been evaluating various alternatives to increase the capacity and in the process, the Company has installed Fully Drawn Yarn (FDY) plant in November 2019, a speciality yarn which yields better margin.

Besides, the Perpetual Global Technologies Limited (Holding Company) confirmed its intention to provide to the Company for the current financial year with the financial, technical and administrative support to the Company's operations and honor the commitments of the Company.

**Emphasis of Matter**

We draw your attention to note no 38(v) of the financial statements with regards to Management's assessment of, inter-alia, realisability of Inventories of Rs 199.4 millions and recoverability of Trade receivables measured at amortised cost of Rs. 136.8 millions due to COVID 19 pandemic outbreak. The management apart from considering the internal and external information upto the date of approval of this financial statements, the management has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the management expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the management will continue to closely monitor any material changes to future economic conditions.

Our Opinion is not modified in respect of this matter.

## Key Audit Matters

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

Sr. No	Key Audit Matters	Auditor's response
1	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Company held inventories of Rs. 199.4 millions. [Also, refer Note no. 6 of the financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories as on the Balance sheet date and subsequently also till the date of this report, couldn't be carried out.</p> <p>We have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <ul style="list-style-type: none"> <li>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</li> <li>(b) Performing procedures to ensure that the changes in inventory between the last verification date and date of the Balance sheet are properly recorded (Roll forward procedures)</li> <li>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</li> <li>(d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items</li> </ul> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>
2	<p><b>Incentive receivable under Industrial Promotion Scheme (IPS) :</b></p> <p>Pre Goods and Service Tax (GST), the Company was eligible for Industrial Promotion Assistance Schemes (Schemes) in the state of Maharashtra mostly by way of refund of Sales Tax. Accordingly, the Company had recognized these benefits in the respective periods. However, the Company is yet to receive Rs.8.1 millions as on 31st March, 2020 (and upto the date of our report ) pertaining to the period from Financial Years 2009-10 to 2017-18. Further, Post GST, the Company has recognized benefit of Rs. 19.4 millions for the period from 1st July , 2017 to 31st March , 2020</p> <p>Management's judgment is involved in assessing the accounting for claims, and particularly in considering the probability of a claim being successful and we have accordingly designated this as a focus area of the audit.</p>	<p><b>Principal Audit Procedures</b></p> <p>In response to the risk of completeness of the accruals in the financial statements:</p> <p>We have examined the eligibility certificates and obtained a list of year wise break- up of the IPS receivables by the Company for all the financial years.</p> <p>We had discussed the status of the assessment of the claim receivable of all the financial years and Management's view on the expected time frame by which claim will be received.</p> <p>Additionally, we have considered the status of the previous assessments and the adjustments done by the department.</p> <p>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of receivable of IPS</p>

### Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the financial statement and our auditor's report thereon.

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

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

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

### Responsibilities of Management and those charged with Governance 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, 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, read with Rule 7 of the Companies (Account) Rules, 2014.

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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 control 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 the 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 entity'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 entity 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 (i) in 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. Pursuant to 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 and records.
  - (c) The Balance sheet, the Statement of Profit & Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on March 31, 2020 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a Directors 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, necessary approval of shareholders has been obtained by the Company as required under Section 197(16) of the Act with regard to managerial remuneration.

(h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No. 32]
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No:

113447W/W-100019

**Vinay Somani**

Partner

Place: Mumbai

Date : June 30, 2020

Membership No: 143503

UDIN :20143503AAAAGP7549



**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Polygenta Technologies Limited of even date**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (Fixed Assets).
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased manner, which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. As explained, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of the immovable property are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification. Due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventories.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding 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 accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Goods and Service Tax and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Goods and Service Tax and Duty of Customs which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of borrowings to Banks during the year. During the year Company has not taken any loans or borrowings from a financial institution or issued any debenture.
- ix) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past.
- x) According to the information and explanations given to us, we have not come across any instance of material fraud by officers or employees of the Company, noticed or reported during the year, nor have we been informed of such case by the management.



xi) In our opinion and to the best of our information and according to the explanations given to us, necessary approval has been obtained by the Company as mandated by the provisions of Section 197 of the Act read with Schedule V of the Act in respect of managerial remuneration paid during the year.

xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations given to us, the provision of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 36 to the Ind AS Financial Statements.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.

xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner

Place: Mumbai  
Date : June 30, 2020

Membership No: 143503  
UDIN :20143503AAAAGP7549

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Polygenta Technologies Limited of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of Polygenta Technologies Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component 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 (ICAI). 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”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

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

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

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (3) provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

### **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 best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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 Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner

Place: Mumbai  
Date : June 30, 2020      Membership No: 143503  
UDIN : 20143503AAAAGP7549

**BALANCE SHEET AS AT 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	1,684.5	1,703.5
(b) Capital work - in - progress	2	-	78.2
(c) Intangible assets	3	0.6	0.7
(d) Financial Assets :			
Security Deposits and Others	4	1.3	1.3
(e) Other non - current assets	5	0.2	21.5
<b>Total Non-Current Assets</b>		<b>1,686.6</b>	<b>1,805.1</b>
<b>2 Current assets</b>			
(a) Inventories	6	199.4	140.9
(b) Financial Assets :			
(i) Trade receivables	7	136.8	87.7
(ii) Cash and cash equivalents	8	32.7	1.5
(iii) Bank Balances other than (ii) above	9	26.3	1.1
(iv) Other current assets	10	0.2	0.5
(c) Current Tax Assets (Net)		1.6	1.5
(d) Other financial assets (Current)	11	82.8	80.3
<b>Total Current Assets</b>		<b>479.8</b>	<b>313.5</b>
<b>TOTAL ASSETS</b>		<b>2,166.4</b>	<b>2,118.6</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a) Equity share capital	12	1,562.1	1,562.1
b) Instrument (ECB) considered equity in nature	13	3,423.5	3,423.5
c) Other Equity	14	(3,027.8)	(2,979.2)
<b>Total Equity</b>		<b>1,957.8</b>	<b>2,006.4</b>
<b>2 Non-current liabilities</b>			
Financial Liabilities			
Borrowings	15	31.8	-
<b>Total Non Current Liabilities</b>		<b>31.8</b>	<b>-</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	21.9	20.0
(ii) Trade Payables	17		
Total outstanding dues to micro and small enterprises		7.0	5.7
Total outstanding dues of creditors other than micro and small enterprises		86.8	51.7
(iii) Other Financial Liabilities	18	24.5	4.9
(b) Other current liabilities	19	20.2	17.8
(c) Provisions	20	16.4	12.1
<b>Total Current Liabilities</b>		<b>176.8</b>	<b>112.2</b>
<b>Total Liabilities</b>		<b>208.6</b>	<b>112.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,166.4</b>	<b>2,118.6</b>

Significant accounting policies and accompanying notes form an integral part of financial statements

1 to 43

As per our attached report of even date

**For BAGARIA & CO. LLP**

**Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

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

**Sujata Chattopadhyay**

Chairperson

DIN:2336683

**Dhanvant Yeola**

Executive Director

DIN : 08325170

Place: Mumbai

Dated: 30<sup>th</sup> June, 2020

**Rakesh Gaikwad**  
Chief Financial Officer

**Paresh Damania**  
Company Secretary

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

Particulars	Note	For the year ended 31 <sup>ST</sup> March, 2020	For the year ended 31 <sup>ST</sup> March, 2019
<b>I Income</b>			
Revenue from Operations	21	1,151.8	945.7
Other Income	22	27.6	10.7
<b>Total Income</b>		<b>1,179.4</b>	<b>956.4</b>
<b>II Expenses</b>			
Cost of materials consumed	23	713.4	622.6
Changes in inventories of finished goods and work-in progress	24	(58.4)	(13.7)
Manufacturing and Operating Costs	25	171.4	199.1
Employee benefits expense	26	140.4	141.4
Finance costs	27	14.0	16.4
Depreciation and amortization expense	28	159.5	167.5
Other expenses	29	85.4	63.7
		<b>1,225.7</b>	<b>1,197.0</b>
<b>III Profit / (loss) before tax</b>		<b>(46.3)</b>	<b>(240.5)</b>
<b>VI Tax expense</b>	30		
Current tax		-	-
Deferred tax charge/(credit)		-	-
<b>VII Profit/(Loss) for the year</b>		<b>(46.3)</b>	<b>(240.5)</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans		(2.4)	(1.0)
Tax Impact Charge/(credit) on Remeasurements of net defined benefit plans		-	-
<b>Other Comprehensive Income</b>		<b>(2.4)</b>	<b>(1.0)</b>
<b>IX Total Comprehensive Income for the year</b>		<b>(48.6)</b>	<b>(241.6)</b>
<b>X Earnings per equity share of Rs. 10 each</b>			
Basic and Diluted Earning Per share of face value of Rs 10 each	34	(0.30)	(1.54)

Significant accounting policies and accompanying notes form an integral part of financial statements

1 to 43

As per our attached report of even date

**For BAGARIA & CO. LLP**

**Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

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

**Sujata Chattopadhyay**

Chairperson

DIN:2336683

**Dhanvant Yeola**

Executive Director

DIN : 08325170

Place: Mumbai

Dated: 30<sup>th</sup> June, 2020

**Rakesh Gaikwad**

Chief Financial Officer

**Paresh Damania**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net (Loss) Before Taxation</b>	<b>(46.3)</b>	<b>(240.5)</b>
Adjustment for :		
(Profit) / Loss on sale of Property, Plant and Equipment (net)	1.5	-
Depreciation / amortization	159.5	167.5
Interest and other charges	14.0	16.4
Interest Income	(8.0)	(8.5)
Provision for Doubtful Debts / Bad Debts	0.4	0.0
Provision no longer required, written back	(7.0)	(1.4)
Liabilities no longer payable (W/Back)	-	(7.2)
Reversal of Input Credit for earlier years	3.1	9.3
Exchange loss / (Gain) unrealized	(5.5)	4.1
<b>Operating Profit / (Loss) before Working Capital Changes (Includes current &amp; non Current items)</b>	<b>111.7</b>	<b>(60.3)</b>
(Increase) / decrease in Inventories	(58.5)	(33.4)
(Increase) / decrease in Trade Receivables	(43.7)	(20.1)
(Increase) / decrease in Other Current / Non Current Assets	116.2	49.0
Increase / (decrease) in Trade Payables	36.1	(2.1)
Increase / (decrease) in Other Liabilities	6.3	11.4
<b>Cash Generated from Operations</b>	<b>168.1</b>	<b>(55.6)</b>
Taxes paid (Net of refund)	(0.1)	0.1
<b>Net Cash Flow (used in)/from Operating Activities (A)</b>	<b>168.0</b>	<b>(55.5)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment (Including CWIP and capital advance)	(65.3)	(8.2)
Sale of Property, Plant and Equipment	1.5	-
Interest received	0.3	0.2
<b>Net Cash Flow (used in) / from Investing Activities (B)</b>	<b>(63.5)</b>	<b>(8.1)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from External Commercial Borrowings (ECBs)	-	100.7
Proceeds from long-term borrowings	50.0	-
Repayment of short-term borrowings	(108.7)	(23.8)
Interest paid	(14.6)	(16.4)
<b>Net Cash (used in) / from Financing Activities (C)</b>	<b>(73.2)</b>	<b>60.5</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>31.2</b>	<b>(3.1)</b>
Cash and cash equivalents at beginning of the year	1.5	4.6
Cash and cash equivalents at end of the year	32.7	1.5
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>31.2</b>	<b>(3.1)</b>

Significant accounting policies and accompanying notes form an integral part of financial statements

1 to 43

As per our attached report of even date

**For BAGARIA & CO. LLP****Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

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

Chairperson

DIN:2336683

**Dhanvant Yeola**

Executive Director

DIN : 08325170

Place: Mumbai

Dated: 30<sup>th</sup> June, 2020**Rakesh Gaikwad**

Chief Financial Officer

**Paresh Damania**

Company Secretary

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

(₹ in million)

## a EQUITY SHARE CAPITAL

Particulars	Notes	Amount Rs in Mn
<b>As at 31<sup>st</sup> March, 2018</b>	<b>12</b>	<b>1,562.1</b>
Changes in Equity Share Capital		-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>12</b>	<b>1,562.1</b>
Changes in Equity Share Capital		-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>12</b>	<b>1,562.1</b>

## b INSTRUMENTS ENTIRELY EQUITY IN NATURE

Particulars	Notes	Amount Rs in Mn
<b>As at 31<sup>st</sup> March, 2018</b>	<b>13</b>	<b>3,322.8</b>
Changes in Instrument entirely equity in nature		100.7
<b>As at 31<sup>st</sup> March, 2019</b>	<b>13</b>	<b>3,423.5</b>
Changes in Instrument entirely equity in nature		-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>13</b>	<b>3,423.5</b>

## c OTHER EQUITY

Particulars	Note	Reserves and Surplus		Items of other comprehensive income	Total
		Securities Premium	Retained Earnings	Remeasurements of defined benefit plans	Other Equity
<b>Balance as at 31st March, 2018</b>	14	1,178.8	(3,916.7)	0.4	(2,737.6)
Add :Loss for the year		-	(240.5)	-	(240.5)
Add :Other Comprehensive Income for the year		-	-	(1.0)	(1.0)
<b>Balance as at 31st March, 2019</b>	14	<b>1,178.8</b>	<b>(4,157.3)</b>	<b>(0.7)</b>	<b>(2,979.1)</b>
<b>Balance as at 31st March, 2019</b>		1,178.8	(4,157.3)	(0.7)	(2,979.1)
Add :Loss for the year		-	(46.3)	-	(46.3)
Add :Other Comprehensive Income for the year		-	-	(2.4)	(2.4)
<b>Balance as at 31st March, 2020</b>	14	<b>1,178.8</b>	<b>(4,203.6)</b>	<b>(3.0)</b>	<b>(3,027.8)</b>
Significant accounting policies and accompanying notes form an integral part of financial statements	1 to 43				

As per our attached report of even date

**For BAGARIA & CO. LLP**

**Chartered Accountants**

Firm Registration No :113447W/W-100019

**Vinay Somani**

Partner

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

**Sujata Chattopadhyay**

Chairperson

DIN:2336683

**Dhanvant Yeola**

Executive Director

DIN : 08325170

Place: Mumbai

Dated: 30<sup>th</sup> June, 2020

**Rakesh Gaikwad**

Chief Financial Officer

**Paresh Damania**

Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :****I. Background and Operations**

Polygenta Technologies Limited ('PTL' or 'the Company'), is engaged in the business of manufacturing sustainable polyester filament yarn by recycling post consumer PET flakes using a break-through recycling technology (the ReNEW process). The polyester yarn products made by Polygenta using the ReNEW process are sold for various applications in the fields of apparel, denim, home furnishings, floor coverings, and industrial applications.

**II. Significant accounting policies****(a) Basis of preparation of Financial Statements****(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements. Due to rounding off, the numbers presented throughout the financial statement may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**i. Contingent Liabilities and Contingent Assets**

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets:** Contingent Assets are neither recognized or disclosed in the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

### ii. Measurement of defined benefit obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/(income) for defined benefit plans include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

### (b) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over of period lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 18 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost.

### (d) Intangible assets

#### Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

#### Amortisation method

The Company amortizes computer software with a useful life using the straight-line method over the period of 6 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

### (e) Lease

#### As a lessee

#### Operating Lease

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term

**(f) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**(g) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**(h) Investments and other 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 the Statement of Profit and Loss), and
- \* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in 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 investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

**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:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

\* **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. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** 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 fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the Statement of Profit and Loss and recognized in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

### Equity instruments:

The company subsequently measures all equity investments at fair value. 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 the Statement of Profit and Loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

### (iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### (v) Income recognition

#### Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

#### Dividend

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

### (i) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

### (j) Borrowings

Borrowings are initially recognized at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognized in Statement of Profit and Loss as finance costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**(k) Borrowing costs**

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

**(l) Provisions and contingent liabilities**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

**(m) Revenue recognition****Revenue From Contracts With Customers**

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness. Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

**Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

**Sale of goods:**

Revenue from the sale of goods is recognized when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items. Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

### Rendering of services:

Revenue from sale of services are recognized when the services are rendered."

### Other Income

Dividend income on investments is recognized when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

### Contract balances:

#### Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

#### Contract liabilities:

A contract liability is the obligation to transfer goods or services 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 transfer goods and services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognized as revenue when the company performs under the contract"

### (n) Employee benefits

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans - The present value of the obligation under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. The Company has an obligation to make good the shortfall, if any.

Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

### (o) Foreign currency transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

### (p) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**(q) Earnings Per Share****Basic earnings per share**

**Basic earnings per share is calculated by dividing:**

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(r) Segment Reporting:**

The Company is engaged in the business of manufacturing and selling polyester filament yarn (PFY) based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the CEO/Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators on this single business segment.

**(s) Government Grants:**

Grants received against specific property, Plant and Equipment are adjusted to the cost of the assets and those in the nature of promoters' contribution are credited to capital reserve. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

**RECENT INDIAN ACCOUNTING STANDARDS (IND AS) Ministry of Corporate affairs (MCA) notifies new standards or amendment to the existing standards :**

There is no such notification which would have been applicable from April 01, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

**2 Property, Plant and Equipment**

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount :</b>									
As at 1 <sup>st</sup> April, 2019	1.1	351.7	1,793.0	0.3	4.1	-	1.3	2,151.6	241.1
Additions	-	4.0	139.0	0.2	0.1	-	0.1	143.3	51.3
Disposals	-	-	-	-	-	-	-	-	129.5
Discarded/Impairment Provision	-	-	10.4	0.0	-	-	0.0	10.5	162.9
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.1</b>	<b>355.7</b>	<b>1,921.6</b>	<b>0.5</b>	<b>4.2</b>	<b>-</b>	<b>1.4</b>	<b>2,284.5</b>	<b>-</b>
<b>Accumulated Depreciation :</b>									
As at 1 <sup>st</sup> April, 2019	-	42.1	402.0	0.2	2.9	-	0.9	448.1	-
Depreciation charge for the year	-	14.2	143.9	0.1	0.9	-	0.2	159.3	-
Disposals	-	-	-	-	-	-	-	-	-
Discarded	-	-	7.4	0.0	-	-	0.0	7.5	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>56.3</b>	<b>538.5</b>	<b>0.3</b>	<b>3.8</b>	<b>-</b>	<b>1.1</b>	<b>599.9</b>	<b>-</b>
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March, 2019	1.1	309.6	1,391.0	0.1	1.2	-	0.4	1,703.5	78.2
As at 31 <sup>st</sup> March, 2020	1.1	299.4	1,383.1	0.2	0.4	-	0.3	1,684.5	-

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount :</b>									
As at 1 <sup>st</sup> April, 2018	1.1	368.3	1,789.5	0.3	4.1	1.0	1.1	2,165.4	162.9
Additions	-	-	7.8	0.1	0.0	-	0.3	8.2	78.2
Disposals	-	-	1.8	-	-	1.0	-	2.8	-
Discarded/Impairment Provision	-	16.6	2.6	0.0	0.0	-	0.1	19.2	162.9
<b>As at 31<sup>st</sup> March, 2019</b>	<b>1.1</b>	<b>351.7</b>	<b>1,793.0</b>	<b>0.3</b>	<b>4.1</b>	<b>0.0</b>	<b>1.3</b>	<b>2,151.6</b>	<b>78.2</b>
<b>Accumulated Depreciation :</b>									
As at 1 <sup>st</sup> April, 2018	-	29.4	269.7	0.1	2.0	1.0	0.7	302.9	-
Depreciation charge for the year	-	29.3	136.6	0.1	1.0	-	0.3	167.3	-
Disposals	-	-	1.8	-	-	1.0	-	2.8	-
Discarded	-	16.6	2.6	0.0	0.0	-	0.1	19.2	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>42.1</b>	<b>402.0</b>	<b>0.2</b>	<b>2.9</b>	<b>(0.0)</b>	<b>0.9</b>	<b>448.1</b>	<b>-</b>
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March, 2018	1.1	338.9	1,519.8	0.1	2.1	0.0	0.4	1,862.5	162.9
As at 31 <sup>st</sup> March, 2019	1.1	309.6	1,391.0	0.1	1.2	0.0	0.4	1,703.5	78.2

Notes:

- 1 Refer Note 35 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.
- 2 Refer Note 33 for the details in respect of Capital Commitments.
- 3 Capital Work-In-Progress of Rs. Nil. (Rs. 78.2 Mn March 31, 2019) pertaining to expenses incurred for Fully Drawn Yarn (FDY) Project.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 3 Intangible assets

Particulars	Computer Software
<b>Gross Carrying Amount</b>	
As at 1 <sup>st</sup> April, 2019	1.1
Additions	0.1
Capitalised	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1.2</b>
<b>Accumulated Amortisation</b>	
As at 1 <sup>st</sup> April, 2019	0.5
Amortisation charge for the year	0.2
<b>As at 31<sup>st</sup> March, 2020</b>	<b>0.7</b>
<b>Net Carrying Amount</b>	
<b>As at 1<sup>st</sup> April, 2019</b>	<b>0.7</b>
<b>As at 31<sup>st</sup> March, 2020</b>	<b>0.6</b>

  

Particulars	Computer Software
<b>Gross Carrying Amount</b>	
As at 1 <sup>st</sup> April, 2018	1.1
Additions	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>1.1</b>
<b>Accumulated Amortisation</b>	
As at 1 <sup>st</sup> April, 2018	0.3
Amortisation charge for the year	0.2
<b>As at 31<sup>st</sup> March, 2019</b>	<b>0.5</b>
<b>Net Carrying Amount</b>	
<b>As at 1<sup>st</sup> April, 2018</b>	<b>0.8</b>
<b>As at 31<sup>st</sup> March, 2019</b>	<b>0.7</b>

## 4 Other Financial Assets - Non Current

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Non-current</b>		
Security Deposits with Others	1.3	1.3
<b>Total</b>	<b>1.3</b>	<b>1.3</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

### 5 Other non - current assets

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Capital Advance</b>		
Considered good	0.0	3.3
Considered doubtful	3.8	3.8
Less: Provision for Doubtful Advances	(3.8)	(3.8)
Net capital Advance	<b>0.0</b>	<b>3.3</b>
Prepaid Expenses	0.2	1.3
Mega Project Incentive Receivable	-	16.9
<b>Total</b>	<b>0.2</b>	<b>21.5</b>

### 6 Inventories

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Raw Materials	25.0	25.6
Work-in-progress	30.3	17.7
Finished goods	98.1	52.2
(Includes Goods in Transit Rs. 0.9 Mn; Previous year Rs.6.1 Mn)		
Packing Materials	4.6	4.8
Stores and Spares	41.5	40.6
<b>Total</b>	<b>199.4</b>	<b>140.9</b>

Refer Note 35 for the details in respect of inventories hypothecated/mortgaged as security for borrowings and Note 38(V) for Covid 19 Risk

### 7 Trade receivables

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Considered Good-Secured	-	-
Considered Good-Unsecured	136.7	87.7
Trade Receivable Unsecured having significant increase in credit risk	-	-
Trade Receivable Unsecured -Credit Impaired	0.4	-
	<b>137.1</b>	<b>87.7</b>
Less: Allowance for bad and doubtful debts	(0.4)	-
<b>Total</b>	<b>136.8</b>	<b>87.7</b>

Refer Note 35 for the details in respect of Trade Receivables hypothecated/mortgaged as security for borrowings and Refer note 36 for related party balances ,Note 38(iii) for Currency Risk and Note 38(V) for Covid 19 Risk

### 8 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Balances with Banks		
- In current accounts	10.1	1.4
- Surplus in cash credit accounts	22.5	-
Cash on hand	0.2	0.0
<b>Total</b>	<b>32.7</b>	<b>1.5</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 9 Other Bank Balances

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Fixed deposits with original maturity of less than 12 months	26.3	119.4
Less : Borrowings From Banks (Repayable on demand)		
11.50% Cash Credit Facility from Bank ( 31 <sup>st</sup> March, 2019 -11.25%)	-	(30.3)
9.65% Overdraft from Bank (31 <sup>st</sup> March, 2019 - 8.40% )	0.0	(88.0)
<b>Total</b>	<b>26.3</b>	<b>1.1</b>

Refer Note 35 for the details in respect of Fixed deposits hypothecated/mortgaged as security for borrowing

## 10 Other financial assets - Current

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Security Deposits	0.2	0.2
Interest Accrued but not due on Fixed Deposits	0.0	0.3
<b>Total</b>	<b>0.2</b>	<b>0.5</b>

## 11 Other current assets

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Export benefit receivable	2.4	0.6
VAT Credit Receivable	-	2.5
Mega Project Incentive Receivable	23.0	36.3
Electricity Subsidy Receivable	9.8	-
Balances with Government Authorities	40.3	38.2
Advances to Suppliers	5.9	1.9
Advances to Staff	0.0	-
Prepaid expenses	1.4	0.8
<b>Total</b>	<b>82.8</b>	<b>80.3</b>

## 12 a) Equity Share capital

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Authorised</b>		
<b>Equity shares, of Rs.10 each</b>		
160,000,000 Nos. (31st March, 2019 - 160,000,000 Nos)	1,600.0	1,600.0
<b>Preference shares, of Rs.10 each</b>		
30,000,000 Nos (31st March, 2019 - 30,000,000 Nos.)	300.0	300.0
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares, of Rs.10 each</b>		
156,206,544 Nos. (31st March, 2019- 156,206,544 Nos.)	1,562.1	1,562.1
	<b>1,562.1</b>	<b>1,562.1</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

### b) Rights of Equity Shareholders

- i) Equity shares having a par value of Rs. 10, Each holder of equity shares is entitled to one vote per share.
- ii) The Company declares and pays dividends in Indian rupees. In the event of dividend being declared by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

### c) Reconciliation of number of shares

Particulars	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Number of shares	Rs. In Millions	Number of shares	Rs. In Millions
<b>Equity Shares :</b>				
Balance as at the beginning of the year	15,62,06,544	1,562.1	15,62,06,544	1,562.1
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Balance as at the end of the year</b>	<b>15,62,06,544</b>	<b>1,562.1</b>	<b>15,62,06,544</b>	<b>1,562.1</b>

### d) Shares held by Parent Company

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>PerPETual Global Technologies Limited (PGTL)</b>	<b>Numbers</b>	
Equity Shares	14,93,29,911	11,71,54,908

### e) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Equity Shares:		
PerPETual Global Technologies Limited (Promoter/Acquirer)	14,93,29,911 95.6%	11,71,54,908 75.0%
Empower Finance Limited*	-	1,86,49,983 0.12
The Trustees, Polygenta Stock Option Trust*	-	1,35,25,000 8.7%

- f) Pursuant to the members' approval dated 9th January, 2020 and after compliance with the necessary requirements of SEBI (Delisting of Equity Shares) Regulations, 2009 in respect of voluntary delisting of the equity shares of the Company, the trading of equity shares at the Bombay Stock Exchange (BSE) was discontinued with effect from 23<sup>rd</sup> April, 2020 and the equity shares were delisted with effect from 30th April, 2020. As directed by BSE, the exit option is kept open by the promoter/ acquirer of the company i.e. Perpetual Global Technologies Limited, for the remaining public shareholders for a period of two years from the date of delisting (30 April 2020) at the rate of Re. 1/- (Rupee One only) per Equity Share, being the exit price determined.

\*tendered towards delisting offer

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 13 Instruments (ECB) considered equity in nature

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
External Commercial Borrowings From Holding Company (Refer note 31)	3,423.5	3,423.5
<b>Total</b>	<b>3,423.5</b>	<b>3,423.5</b>

## 14 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Securities premium	1,178.8	1,178.8
Retained Earnings	(4,203.6)	(4,157.3)
<b>Items of Other Comprehensive Income :</b>		
Remeasurements of defined benefit plans	(3.0)	(0.7)
<b>Total</b>	<b>(3,027.8)</b>	<b>(2,979.2)</b>

## Nature and purpose of reserves

**Securities premium :** Received on issue of equity shares.**Retained Earnings:** Retained earnings are the accumulated losses in the Profit and Loss account.

**Re-measurements of Net Defined Benefit Plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other Comprehensive Income' and subsequently not to be reclassified to the Statement of Profit and Loss.

## 15 Non Current Financial Liabilities - Borrowings

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured</b>		
Inter Corporate Loan (Interest rate 16.25% per annum , Payable in 11 quarterly installment of Rs 4.54 mn each)	31.8	-
<b>Total</b>	<b>31.8</b>	<b>-</b>

## 16 Current Financial Liabilities - Borrowings

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Unsecured (interest)</b>		
Supplier's Credit (Interest rate 31Mar2020:-15% per annum; 31 Mar 2019:- 15% per annum)	21.9	20.0
<b>Total</b>	<b>21.9</b>	<b>20.0</b>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 17 Trade Payables

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Dues payable to Employees	9.7	1.6
Due to micro and small enterprises*	7.0	5.7
Due to creditors other than micro and small enterprises	77.1	50.1
<b>Total</b>	<b>93.8</b>	<b>57.4</b>

\*The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1) Principal amount due and remaining unpaid	7.0	5.7
2) Interest due on above and the unpaid interest	-	-
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

## 18 Other financial liabilities

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Current maturities of long-term debt	18.2	-
Interest Accrued and Due on Short Term Borrowings	-	0.6
Payable towards capital creditors	6.3	4.3
<b>Total</b>	<b>24.5</b>	<b>4.9</b>

## 19 Other Current liabilities

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Advance from customers :		
Holding Company	-	13.7
Others	17.2	1.3
Statutory Dues	3.0	2.8
<b>Total</b>	<b>20.2</b>	<b>17.8</b>

## 20 Provisions

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provision for employee benefits :		
Provision for Gratuity-Funded	11.6	7.3
Provision for Compensated Absences	4.7	4.8
<b>Total</b>	<b>16.4</b>	<b>12.1</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 21 Revenue from Operations

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Sales of Goods</b>		
- Manufactured goods	1,119.4	911.4
Other operating revenue		
Export Incentives	9.1	9.5
Process waste sale	13.6	8.2
Mega Project Incentives	2.5	16.7
Electricity Subsidy Incentives	7.3	-
<b>Total</b>	<b>1,151.8</b>	<b>945.7</b>

## 22 Other income

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Interest income on fixed deposits and others	7.9	8.4
Interest on income tax refund	0.1	0.2
Provision and Liabilities no longer payable written back	7.0	1.4
Profit on sale of Property, Plant and Equipment	-	0.6
Provision written back on doubtful debt recovered	-	0.1
Other non-operating income	0.3	0.1
Gain on Foreign Exchange (net)	12.3	-
<b>Total</b>	<b>27.6</b>	<b>10.7</b>

## 23 Cost of materials consumed

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Raw Materials consumed	629.4	550.7
Packing Materials consumed	47.4	44.5
Consumables & Spares consumed	25.0	17.6
Freight Inward	11.7	9.8
<b>Total</b>	<b>713.4</b>	<b>622.6</b>

## 24 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
<b>Opening inventories</b>		
Finished goods	52.2	42.9
Work-in-progress	17.7	13.4
<b>Closing inventories</b>		
Finished goods	98.1	52.2
Work-in-progress	30.3	17.7
<b>Total</b>	<b>(58.4)</b>	<b>(13.7)</b>



# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 25 Manufacturing and Operating Costs

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Power and Fuel	158.7	193.6
Repairs to Buildings	2.2	1.1
Repairs to Machinery	10.2	4.2
Machine Hire Charges	0.3	0.1
<b>Total</b>	<b>171.4</b>	<b>199.1</b>

## 26 Employee benefits expense

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Salaries and wages	123.4	125.6
Contribution to provident funds and other funds	6.0	5.5
Defined benefit plan expense	3.7	3.7
Workmen and Staff welfare expenses	7.4	6.7
<b>Total</b>	<b>140.4</b>	<b>141.4</b>

## 27 Finance costs

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Interest expense on borrowings from Banks	9.0	12.5
Interest expense on borrowings from others	3.8	-
Other borrowing costs	1.2	3.9
<b>Total</b>	<b>14.0</b>	<b>16.4</b>

## 28 Depreciation and amortization expense

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Depreciation on Property, Plant and Equipment	159.3	167.3
Amortization on Intangible assets	0.2	0.2
<b>Total</b>	<b>159.5</b>	<b>167.5</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## 29 Other expenses

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
Repairs & Maintenance Others	2.9	1.9
Insurance	2.4	1.7
Rent	0.8	0.7
Rates and Taxes	7.7	3.6
Auditors' Remuneration*	0.9	0.8
Legal and Professional Expenses	24.5	19.2
Bad Debts written off	0.0	3.2
Less :Provision for doubtful Debts withdrawn	-	(3.1)
Provision for doubtful Debts	0.4	-
Commission to selling agents	8.0	3.6
Freight expenses	12.4	11.7
Travelling & Conveyance	3.8	6.4
Security Service Charges	5.9	5.6
Communication expenses	0.7	0.8
Postage & Courier	0.5	0.4
Loss on Foreign Exchange (net)	-	3.3
Loss on Sale of Property, Plant and Equipment	1.5	-
Miscellaneous Expenses	13.1	3.8
<b>Total</b>	<b>85.4</b>	<b>63.7</b>

## \*Auditors' remuneration (excluding taxes)

Particulars	For the year ended 31 <sup>st</sup> March, 2020	For the year ended 31 <sup>st</sup> March, 2019
- Audit Fees	0.6	0.6
- Limited Review Fees	0.3	0.2
<b>Total</b>	<b>0.9</b>	<b>0.8</b>

## 30 Income Taxes

## Tax expense recognized in the Statement of Profit and Loss

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Current tax	-	-
Deferred tax	-	-
<b>Total income tax expense/(credit)</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

Reconciliation of effective tax rate	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Profit/(Loss) before tax	(48.6)	(241.6)
Enacted income tax rate in India	26.00%	26.00%
Computed Expected Tax Expense	(12.6)	(62.8)
<b>Differences due to:</b>		
Allowance for deferred tax assets not recognized on unabsorbed losses	12.6	62.8
Total income tax expense/(credit) recognised in Profit and loss	-	-

### Movement Deferred tax (assets)/liabilities :

Particulars	As at 31st March, 2018	Movement during the year	As at 31st March, 2019	Movement during the year	As at 31st March, 2019
<b>Deferred Tax Assets :</b>					
Provision for doubtful debts and advances	0.8	(0.8)	-	1.1	1.1
Expenses allowable for tax purposes on payment basis	2.2	0.9	3.1	1.2	4.3
Unabsorbed Losses & Depreciation	1,245.4	8.8	1,254.2	1.1	1,255.2
<b>Deferred Tax Assets-Total</b>	<b>1,248.5</b>	<b>8.9</b>	<b>1,257.4</b>	<b>3.4</b>	<b>1,260.5</b>
<b>Deferred Tax Liabilities</b>					
Difference in Written down value of Property, Plant and Equipment	275.9	12.8	288.7	(36.3)	252.4
<b>Deferred Tax Liabilities-Total</b>	<b>275.9</b>	<b>12.8</b>	<b>288.7</b>	<b>(36.3)</b>	<b>252.4</b>
<b>Net Deferred Tax assets</b>	972.6	(3.9)	968.7	39.7	1,008.4
Deferred tax assets not recognized as a matter of prudence	(972.6)	3.9	(968.7)	(39.7)	(1,008.4)
<b>Deferred Tax Liability/(Asset) recognised in Balance sheet</b>	-	-	-	-	-

### 31 Going Concern

The Company's performance improved during the current financial year 2019-20 and It may be noted that after a period of eight years, the Company is EBITDA positive. The Profit After Tax (PAT) is still negative mainly due to the present capacity constraint of the Plant. The Company is evaluating various alternatives to increase the capacity and inter-alia, to be able to make more value added products. As the first step to this, Company has installed machineries in November 2019 for setting up facility for production of Fully Drawn Yarn (FDY) a type of PFY, a speciality yarn which yields better margin.

The Promoters of the Company viz. PerPETual Global Technologies Limited ('PGTL') has always been extremely supportive of the Company's project. With such support continuing, the Company is confident that it will be able to expand its position in the market as a unique supplier of high quality yarns made from 100% post-consumer PET bottles, being recognized as a preferred supplier by many of the world's largest apparel brands.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

In its effort to support the Company, PGTL has waived interest on various ECB as under:-

Particulars of ECB	Interest waived from	Interest waived upto
Current ECB of Euro 10 Million	Beginning of the Disbursement	Upto 31Mar21
Previous ECB of USD 20 Million and Euro 4.5 Million		
Assigned ECBs of Euro 15 Million from Swedfund International Inc (Swedfund) and Finnish Fund for International Co-operation Limited*	From 1Sep16	

\* Aggregate value considering exchange rate as on March 31, 2020 (including past year's interest accrued amounting to Rs. 421.2 Mn) is Rs.3,937.9 Mn

The Company has also received "Letter of Support" from PGTL for Financial, Technical & Administrative Support for the forthcoming twelve months.

The management has performed impairment test and is of the view that there is no impairment in the value of Property, Plant and Equipment.

Considering what is stated above, the accounts are prepared based on the Principal of a Going Concern.

**32 Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts in respect of past disputed liabilities.		
-Claims in respect of various pending litigations	2.9	61.4
<b>Total</b>	<b>2.9</b>	<b>61.4</b>

The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements.

**33 Capital Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Property, plant and equipment	2.7	9.6
Less: Capital advances	0.0	3.3
<b>Net Capital commitments</b>	<b>2.7</b>	<b>6.3</b>

**34 Earnings per share (EPS)**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year	(46.3)	(240.5)
Weighted average number of equity shares outstanding (in Numbers)	15,62,06,544	15,62,06,544
Basic & Diluted EPS (Rs)	(0.30)	(1.54)
(Face value of Rs. 10 per share)		

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

**35 Assets offered as security**

The carrying amounts of assets offered as security for current and non-current borrowings are:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Current Assets</b>		
Trade receivables	136.8	87.7
Inventories	199.4	140.9
Fixed deposits	26.3	119.4
<b>Total Current assets offered as security</b>	<b>362.5</b>	<b>348.0</b>
<b>Non Current Assets</b>		
Freehold Land	1.1	1.1
Furniture, fittings and equipment	0.4	1.2
Plant and Equipment	1,383.1	1,391.0
Buildings	299.4	309.6
<b>Total non-current assets offered as security</b>	<b>1,682.9</b>	<b>1,701.8</b>
<b>Total assets offered as security</b>	<b>2,045.4</b>	<b>2,049.8</b>

**36 Related Party Disclosure :****A. Relationships:****1 Where control exists.**

PerPETual Global Technologies Ltd. (Promoter, Holding Company)

**2 Key Management Personnel:**Mr. M. N. Sudhindra Rao - Managing Director & Chief Executive Officer  
(Upto 5<sup>th</sup> April 2019) & Non-Executive Director from 6<sup>th</sup> April 2019 to 7<sup>th</sup> August 2019)Mr. Dhanvant Yeola- Executive Director (W.e.f. 8<sup>th</sup> February 2019 )

Mr. Paresh Damania – Company Secretary

Mr. Rakesh Gaikwad – Chief Financial Officer

Mr. Marc Lopresto- Director ( Up to 8<sup>th</sup> February 2019 )

Mrs. Sujata Chattopadhyay- Non Executive Director

Mr. Ghanshyam Karkera- Non Executive Director

Mr. Ramesh Alur- Non Executive Director

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## B. Transactions carried out with related parties referred in A above, in the ordinary course of business:

Nature of transactions	PerPETual Global Technologies Ltd.	Key Management personnel
<b>Advance Received for Sale of Material</b>	- (13.7)	
<b>Advance Repaid</b>	13.7 -	
<b>Sale of materials</b>	- (0.4)	
<b>Provision for doubtful receivables</b>	0.4	
<b>ECB Received</b>	-	
ECB EUR 4.5 Mn	-	
ECB EUR 10 Mn	- (100.7)	
<b>Mr. Marc Lopresto</b> Consultancy Charges written Back		- (7.2)
<b>Sitting Fees paid to Non Executive Directors</b>		0.7 (0.7)
<b>Managerial Remuneration</b>		
M. N. Sudhindra Rao		0.9 (17.7)
Dhanvant Yeola		2.8 (0.3)
Rakesh Gaikwad		1.1 (1.0)
Paresh Damania		2.4 (2.1)
<b>Closing Balances</b>		
ECB USD 20 Mn*	1,229.4 (1,229.4)	
ECB EUR 4.5 Mn*	326.6 (326.6)	
ECB EUR 10 Mn*	367.9 (367.9)	
Assigned by Swedfund / Finnfund : EUR 15 Mn*	1,116.3 (1,116.3)	

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

(All amounts are in Rs. Mn, unless stated otherwise)

**B. Transactions carried out with related parties referred in A above, in the ordinary course of business:**

Nature of transactions	PerPETual Global Technologies Ltd.	Key Management personnel
Interest Payable Assigned by Swedfund - Finnfund*	383.3 (383.3)	
Trade Receivables	0.4 (0.3)	
Provision for doubtful receivables	0.4 -	
Advance Received outstanding	- (13.7)	
<b>Remuneration Payable</b>		
M. N. Sudhindra Rao		- -
Dhanvant Yeola		0.2 -
Rakesh Gaikwad		0.1 -
Paresh Damania		0.1 -

\* ECB considered as "Instrument entirely equity in nature" (Refer note 31)

Previous year figures are in brackets

**Notes:**

- (i) Related parties have been identified by the Management and relied upon by the auditors.
- (ii) No amount has been provided for/written off/written back, pertaining to related parties except as disclosed above

**37 Post retirement benefit plans**

As per Actuarial Valuation as on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 and recognized in the financial statements in respect of Employee Benefit Schemes:

**DEFINED BENEFIT PLANS :****A. Balance Sheet**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Present value of plan liabilities	17.6	13.3
Fair value of plan assets	6.0	6.0
<b>Plan liability net of plan assets</b>	<b>11.6</b>	<b>7.3</b>



# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## B. Movements in plan assets and plan liabilities

Particulars	Plan Assets	Plan Liabilities	Plan liabilities net of plan assets
<b>As at 31<sup>st</sup> March, 2019</b>	6.0	13.3	7.3
Current service cost	-	1.4	1.4
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	(0.2)	-	0.2
Interest cost	-	-	-
Interest income	-	1.0	1.0
Actuarial (gain)/loss arising from changes in demographic assumptions	0.5	-	(0.5)
Actuarial (gain)/loss arising from changes in financial assumptions	-	-	-
Actuarial (gain)/loss arising from experience adjustments	-	1.3	1.3
Employer contributions	-	0.8	0.8
Benefits payments	-	-	-
	(0.3)	(0.3)	-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>6.0</b>	<b>17.6</b>	<b>11.6</b>

Particulars	Plan Assets	Plan Liabilities	Plan liabilities net of plan assets
<b>As at 31<sup>st</sup> March, 2018</b>	6.7	11.0	4.3
Current service cost	-	1.6	1.6
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	(0.1)	-	0.1
Interest cost	-	-	-
Interest income	-	0.9	0.9
Actuarial (gain)/loss arising from changes in demographic assumptions	0.5	-	(0.5)
Actuarial (gain)/loss arising from changes in financial assumptions	-	-	-
Actuarial (gain)/loss arising from experience adjustments	-	0.0	0.0
Employer contributions	-	0.9	0.9
Benefit payments	-	-	-
	(1.1)	(1.1)	-
<b>As at 31<sup>st</sup> March, 2019</b>	<b>6.0</b>	<b>13.3</b>	<b>7.3</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**C. Statement of Profit and Loss**

Particulars	year ended 31 <sup>st</sup> March, 2020	year ended 31 <sup>st</sup> March, 2019
<b>Employee Benefit Expenses:</b>		
Current service cost	1.4	1.6
<b>Total</b>	<b>1.4</b>	<b>1.6</b>
Finance cost/(income)	0.6	0.3
<b>Net impact on the Profit / (Loss) before tax</b>	<b>2.0</b>	<b>2.0</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	0.2	0.1
Actuarial gains/(losses) on obligation for the Period	2.1	0.9
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>2.4</b>	<b>1.0</b>

**D. Defined benefit plans Assets**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Insurance Fund	6.0	6.0

**E. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Financial Assumptions</b>		
Discount rate	6.89%	7.79%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	228	225
Per Month Salary For Active Members	3.6	3.8
Weighted Average Duration of the Projected Benefit Obligation	12	11

**Demographic Assumptions**

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Current Year	Change in assumption	Increase in assumption (Rs. in Million)	Decrease in assumption (Rs. in Million)
Discount rate	1%	(1.5)	1.7
Salary Escalation Rate	1%	1.7	(1.5)
Employee Turnover	1%	0.1	(0.1)

Previous Year	Change in assumption	Increase in assumption (Rs. in Million)	Decrease in assumption (Rs. in Million)
Discount rate	1%	(1.0)	1.2
Salary Escalation Rate	1%	1.2	(1.1)
Employee Turnover	1%	0.1	(0.1)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## G. Maturity analysis of the benefits payment from the fund:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1 <sup>st</sup> Following year	2.07	2.0
2 <sup>nd</sup> Following year	0.85	0.3
3 <sup>rd</sup> Following year	0.59	0.7
4 <sup>th</sup> Following year	0.46	0.5
5 <sup>th</sup> Following year	1.00	0.4
Sum of years 6 to 10	7.42	5.5
Sum of years 11 years and above	25.71	22.7

The weighted average duration of the defined benefit obligation is 12 years (2019- 11 years)

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**38 Financial risk management objectives and policies**

The Company has developed a Risk Management Policy. It seeks to identify risks inherent in the Company's business operations and provide guidelines to define, measure, report, control and mitigate the identified risks. The objective of the Company's Risk Management Policy is to create and protect shareholder value by prudently minimising threats or losses, and identifying and maximising opportunities. The policy endeavours to provide a practical enterprise-wide risk management framework that fosters employees integrating risk management into their everyday work.

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

**i. Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. Company is having Overdraft Facility (OD) against Fixed Deposit (FD) with a net interest spread of 1.2% (subject to periodical revision by banks), thus interest rate risk is having natural hedge.

**Exposure to interest rate risk**

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Borrowings bearing variable rate of interest	21.9	20.0

**Interest rate sensitivity**

**A change of 50 bps in interest rates would have following Impact on profit before tax**

Particulars	2019-2020	2018-2019
50 bp increase in interest rate - decrease in profits	(0.1)	(0.1)
50 bp decrease in interest rate - Increase in profits	0.1	0.1

**ii. Market Risk- Foreign currency risk.**

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

**Derivative instruments hedged and unhedged foreign currency exposure****(a) Derivative outstanding as at the reporting date****(Foreign currency In Mn)**

Particulars	Currency	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Forward contracts to sell USD	USD	-	-
Forward contracts to sell EURO	EURO	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

### (b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31<sup>st</sup> March, 2020

(Foreign currency In Mn)

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	1.4	0.2
Trade payables and Advance from Customers	0.1	0.1

As at 31<sup>st</sup> March, 2019

(Foreign currency In Mn)

Particulars	USD	EURO
Trade Receivable and Advance to Vendors	0.6	0.1
Trade payables and Advance from Customers	0.0	0.2

### Foreign Currency Risk Sensitivity

Rs. in Mn

A change of 1% in Foreign currency would have following Impact on profit before tax

Particulars	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	0.1	(0.1)	(0.1)	0.1
USD	0.9	(0.9)	0.4	(0.4)
Increase / (decrease) in profit or loss	1.0	(1.0)	0.3	(0.3)

### iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral security or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## Ageing of Account receivables

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
0-3 months	127.7	85.1
3-6 months	7.9	2.5
beyond 6 months	1.5	0.1
<b>Particulars</b>	<b>137.1</b>	<b>87.7</b>

## Movement in provisions of doubtful debts

Particulars	2019-20	2018-19
Opening provision	-	3.2
Add:- Provision made /(withdrawn)	0.4	(3.2)
Closing provisions	0.4	-

## iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

## Financing arrangements

The company had access to following undrawn Borrowing facilities at end of reporting period:

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Variable Borrowing - Cash Credit expires within 1 year	-	-

## Maturity patterns of borrowings

Particulars	As at 31 <sup>st</sup> March, 2020			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	18.2	31.8	-	50.0
Short term borrowings	21.9	-	-	21.9
Expected Interest payable	7.0	4.8	-	11.8
<b>Total</b>	<b>47.1</b>	<b>36.6</b>	<b>-</b>	<b>83.8</b>

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

Particulars	As at 31 <sup>st</sup> March, 2019			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	-			-
Short term borrowings	20.0	-	-	20.0
Expected Interest payable	0.6	-	-	0.6
<b>Total</b>	<b>20.6</b>	<b>-</b>	<b>-</b>	<b>20.6</b>

### Maturity patterns of other Financial Liabilities

As at 31 <sup>st</sup> March, 2020	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	44.6	49.2	-	-	-	93.8
Other Financial liabilities (Current and Non Current)	6.3	-	-	-	-	6.3
<b>Total</b>	<b>50.9</b>	<b>49.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.1</b>

As at 31 <sup>st</sup> March, 2019	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	-	53.8	1.2	1.9	0.5	57.4
Other Financial liabilities (Current and Non Current)	4.3	0.6	-	-	-	4.9
<b>Total</b>	<b>4.3</b>	<b>54.4</b>	<b>1.2</b>	<b>1.9</b>	<b>0.5</b>	<b>62.3</b>

### V IMPACT OF COVID-19

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India ( On 23rd March, 2020 by the Maharashtra State Government) has declared this pandemic a health emergency, ordered temporarily close of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company fell under non-essential category, the Company shut-down its Plant at Nashik from 23 March 2020 to 14 May 2020. The Company has since, after receiving applicable permissions, commenced operations at reduced capacity level, as availability of raw-materials continues to remain a constraint. The Company plans to scale up the production gradually.

In assessing, inter-alia, the recoverability of trade receivables measured at amortised cost of Rs. 136.8 mn and realisation of inventories of Rs. 199.4 mn, apart from considering the internal and external information up to the date of approval of these financial statements, the Company has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.



## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**39 Fair Value measurement****Financial Instrument by category and hierarchy**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values: 1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments. 2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts."

The fair values for loans & security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Financial Assets and Liabilities as at 31<sup>st</sup> March, 2020**

Particulars	Non Current	Current	Total	Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
				Level 1	Level 2	Level 3	Total				
Other Financial Assets	1.3	0.2	1.5				-	-	1.5	-	1.5
Trade receivable	-	136.8	136.8				-	-	136.8	-	136.8
Cash and Cash equivalents	-	32.7	32.7				-	-	32.7	-	32.7
Other Bank Balance	-	26.3	26.3				-	-	26.3	-	26.3
	<b>1.3</b>	<b>196.0</b>	<b>197.2</b>	-	-	-	-	-	<b>197.2</b>	-	<b>197.2</b>
<b>Financial Liabilities</b>											
Borrowings	31.8	21.9	53.7	-	-	-	-	-	53.7	-	53.7
Trade Payables	-	93.8	93.8	-	-	-	-	-	93.8	-	93.8
Other Financial Liabilities	-	24.5	24.5	-	-	-	-	-	24.5	-	24.5
	<b>31.82</b>	<b>140.2</b>	<b>172.0</b>	-	-	-	-	-	<b>172.0</b>		<b>172.0</b>

# NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

## Financial Assets and Liabilities as at 31<sup>st</sup> March, 2019

Particulars	Non Current	Current	Total	Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
				Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Other Financial Assets	1.3	0.5	1.7				-	-	1.7	-	1.7
Trade receivable	-	87.7	87.7				-	-	87.7	-	87.7
Cash and Cash equivalents	-	1.5	1.5				-	-	1.5	-	1.5
Other Bank Balance	-	1.1	1.1				-	-	1.1	-	1.1
	<b>1.3</b>	<b>90.7</b>	<b>92.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92.0</b>		<b>92.0</b>
<b>Financial Liabilities</b>											
Borrowings	-	20.0	20.0	-	-	-	-	-	20.0	-	20.0
Trade Payables	-	57.4	57.4	-	-	-	-	-	57.4	-	57.4
Other Financial Liabilities	-	4.9	4.9	-	-	-	-	-	4.9	-	4.9
	<b>-</b>	<b>82.3</b>	<b>82.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82.3</b>		<b>82.3</b>

Particulars	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Other Financial Assets	1.5	1.5	1.7	1.7
Trade receivable	136.8	136.8	87.7	87.7
Cash and Cash equivalents	32.7	32.7	1.5	1.5
Other Bank Balance	26.3	26.3	1.1	1.1
	<b>197.2</b>	<b>197.2</b>	<b>92.0</b>	<b>92.0</b>
<b>Financial Liabilities</b>				
Borrowings	53.7	53.7	20.0	20.0
Trade Payables	93.8	93.8	57.4	57.4
Other Financial Liabilities	24.5	24.5	4.9	4.9
	<b>172.0</b>	<b>172.0</b>	<b>82.3</b>	<b>82.3</b>

### Basis of Fair Valuation :

Above financial Assets and Liabilities are given at carrying cost

## NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts are in Rs. Mn, unless stated otherwise)

**40 Capital risk management****The Company's objectives when managing capital are to**

- ♦ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ♦ maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may reduce share capital, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a gearing ratio within the industry average. The gearing ratios were as follows:

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Net Debt	71.9	20.0
Equity	1,957.8	2,006.4
Total Capital Employed	2,029.7	2,026.4
Gearing Ratio	3.54%	0.99%

**41 Movement of borrowings:**

Particulars	As on 31 <sup>st</sup> March 2018	Cash Flow - Proceeds/ (Repayment)	As on 31 <sup>st</sup> March 2019	Cash Flow - Proceeds/ (Repayment)	As on 31 <sup>st</sup> March 2020
Short Term Borrowings	32.2	(12.2)	20.0	1.9	21.9
Long Term Borrowings	-	-	-	50.0	50.0
<b>Total</b>	<b>32.2</b>	<b>(12.2)</b>	<b>20.0</b>	<b>51.9</b>	<b>71.9</b>

**42** Effective April 1, 2019 the Group has adopted INDAS 116 "Leases" using modified retrospective approach. Due to the transition, the nature of expenses in respect of operating Leases has changed from "Lease Rent" to "Depreciation cost" and "Finance cost" for the right to use assets and interest accrued on Lease liability respectively. There being no leases to or by the Company and hence, no impact of adoption of Ind AS 116 on the profit/(loss) for the year ended March 31, 2020.

**43** The previous year's / period's figures have been re-grouped / re-arranged wherever necessary, to conform to the current period's presentation.

Signatures to Notes 1 to 43 which form an integral part of the financial statement.

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

**Sujata Chattopadhyay**  
Chairperson  
DIN:2336683

**Dhanvant Yeola**  
Executive Director  
DIN : 08325170

Place: Mumbai  
Dated: 30<sup>th</sup> June, 2020

-----  
**Rakesh Gaikwad**  
Chief Financial Officer

-----  
**Pareesh Damania**  
Company Secretary

*To,*

*If undelivered, please return to :*

***Polygenta Technologies Limited***

Regd. Off.: Kaledonia (HDIL) Building, Unit No. 1B, 5th Floor, Sahar Road,  
Off. Western Express Highway, Andheri (East), Mumbai – 400 069