



POLYGENTA TECHNOLOGIES LIMITED

**33rd ANNUAL REPORT
2014 - 2015**



CORPORATE IDENTIFICATION NO.: L17120MH1981PLC025388

BOARD OF DIRECTORS : Mr. Marc Lopresto Chairman, Director
Ms. Sujata Chattopadhyay Independent Director
Mr. Fredrik Wijkander Nominee Director, Swedfund International AB
Mr. Ramesh Alur Nominee Director, VenturEast Life Fund III

CEO : Mr. M N S Rao

CFO : Mr. Rakesh Tanna

COMPANY SECRETARY : Mr. Paresh Damania

BANKERS : Ratnakar Bank
Standard Chartered Bank
HDFC Bank

REGISTERED OFFICE : Solitaire Corporate Park,
Bldg No.1, 6th Floor, Unit No. 2,
Andheri - Ghatkopar Link Road,
Chakala, Andheri (E),
Mumbai : 400093

FACTORY : Gat No.265/1, 266,
Village Avankhed,
Taluka Dindori,
District Nashik.
Pin 422 201
Maharashtra

AUDITORS : M/s Lodha & Company
Chartered Accountants,
6, Karim Chambers,
40, Ambalal Doshi Marg,
Mumbai : 400 023.

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NOTICE

NOTICE is hereby given that the Thirty- Third Annual General Meeting of Members of Polygenta Technologies Limited will be held on Thursday, September 24, 2015 at 3.00 p.m. at 'the Mirador' Hotel, Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai – 400 099 to transact the following business:-

Ordinary Business:-

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2015 together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Alur, Nominee Director of VenturEast Life fund III who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT M/s Lodha & Co, Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of 2016 of the Company at such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:-

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

RESOLVED THAT pursuant to Section 152 and all other applicable provisions 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] of the Company, Mr. Marc Lopresto (DIN 3313959) as Director be and is hereby confirmed with effect from 1st June 2015 to hold office for five consecutive years for a term up to May 30, 2020.

RESOLVED FURTHER THAT consent of the Shareholders be and is hereby accorded to his receiving professional fees of Rs. 24, 00,000/- per annum.

RESOLVED FURTHER THAT the Board of Directors or its Committee be and is hereby authorised from time to time (on recommendation of the Nomination and Remuneration Committee) to amend, alter or otherwise vary the terms and conditions of the appointment of Mr. Marc Lopresto including remuneration.

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

“RESOLVED that pursuant to the Section 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 appointment of Ms. Sujata Chattopadhyay (DIN: 02336683) as Independent Director be and is hereby confirmed with effect from 31st March 2015 to hold office for five consecutive years for a term up to March 30, 2020.”

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

RESOLVED THAT the Board of Directors be and is hereby authorised to enter into a transaction for sale of DTY with the Related Party 'PerPETual Global Technologies Limited' up to USD 1.5 Million up to 30th September 2016 provided that the transaction will be entered into at arm's length price.

RESOLVED FURTHER THAT the Audit Committee of the Company be and is hereby authorised to decide about the arm's length price from time to time and other terms and conditions.

RESOLVED FURTHER THAT the Audit Committee be and is hereby authorised to repay the advance received, if any from the Related Party- PerPETual Global Technologies Limited.

RESOLVED FURTHER THAT the Audit Committee be and is hereby authorised to decide about the arms length price.

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

Paresh Damania
Company Secretary

Place: Mumbai
Date: 12th August 2015

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 Nos. 4 to 6 is annexed hereto.
2. The register of members and the share transfer books of the Company will remain closed from 18th September 2015 to 24th September 2015 (both days inclusive) for annual closing.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a person can act as a proxy of a member holding more than 10% (ten percent) of the total share capital of the Company and in such case the person cannot act as a proxy for any other person. Proxies submitted on behalf of limited companies must be supported by appropriate resolution / authority, as applicable. The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting.
4. Members are requested to notify immediately any change in their addresses, email address bank particulars etc.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. **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, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their vote electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for members for voting electronically are as under:

- (i) The voting period begins on 21st September 2015 at 9.00 a.m. and ends on 23rd September 2015 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 17th September 2015 may cast their vote electronically. The e-

voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

PAN	<p>For Members holding shares in Demat Form and Physical Form: Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Polygenta Technologies Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution

and option NO implies that you dissent to the Resolution.

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- 7. The facility for Voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
 - 8. Members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - 9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.**Item No. 4****Appointment of Mr. Marc Lopresto as Director**

Mr. Marc Lopresto was appointed as Wholetime Director of the Company at the AGM held on 30th September 2013 for a period of three years with effect from 1st September 2013.

He resigned as Wholetime Director as he expressed his inability to devote his full time to the Company and his resignation was accepted by the Board with effect from closing of working hours of 31st May 2015.

On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 28th May 2015 decided to appoint him as director of the company and avail of his services which are in the nature of professional services comparable in scope which he has been providing to the Company in the recent past (including corporate development, strategy, business development, corporate finance and legal). In consideration of the professional services to be rendered by Mr. Lopresto, it was decided by the Board (on recommendation of Nomination and Remuneration committee) that a fee of Rs.2 lacs per month shall be paid to him, approximately the level of compensation received as an employee of the Company, unchanged since 2010.

The Board took into consideration the recommendation of the Nomination and Remuneration Committee in its assessment that Mr. Lopresto possesses the requisite qualification for the practice of the profession and has recommended the payment of the aforesaid fees for the professional services to be rendered by him.

Mr. Marc Lopresto will be a director retiring by rotation.

Except Mr. Marc Lopresto who may be considered to be interested in the resolution to the extent of his 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.

In accordance with the provisions of Section 197(4) of the Companies Act, 2013, the limits of remuneration as prescribed in the Schedule V of the Companies Act, 2013 will not apply.

Pursuant to Clause 49 of the listing agreement with the Bombay Stock Exchange, the following information is furnished.

Mr. Marc Lopresto, aged 59 Years has an MBA from Wharton (Finance and Strategy specialisation), and an AB in Economics (Honours) University of California, Berkeley. He has experience in M&A, restructuring and risk management, and project / venture capital fund raising including for the power, metals, and manufacturing sectors and was CFO of the Company from 2008 to 2014.

He is a Director of PerPETual Global Technologies Limited and AlphaBottle Limited. Apart from being Director of Polygenta Technologies Limited, he is a member of the following committees of Polygenta - Audit Committee, Stakeholders Relationship Committee, Allotment and Conversion Committee and Risk Management Committee.

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

Item No. 5**Appointment of Ms. Sujata Chattopadhyay as Independent Director**

Ms. Sujata Chattopadhyay was appointed as the Independent Director of the Company on March 31, 2015 by the Board of Directors subject to confirmation of Shareholders at the General Meeting. In terms of Section 149(10) of the Companies Act, 2013, an Independent Director can hold office for a term up to 5 (five) consecutive years on the board of a Company. Also, 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 appointed as an Independent Director for 5 (five) consecutive years for a term up to March 30, 2020.

In the opinion of the Board, Ms. Sujata Chattopadhyay fulfils the conditions laid down for the appointment Independent Director under the Companies Act, 2013. Accordingly, the Board recommends the adoption of the resolution at Item No. 5 of the Notice. 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.

Pursuant to Clause 49 of the listing agreement with the Bombay Stock Exchange, the following information is furnished.

Ms. Sujata Chattopadhyay, aged 50 (fifty) 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 27 (twenty seven) years of experience in the area of Finance, Cost accounts / cost audit and Company Secretarial work.

She is a Director of Aryasta LifeScience India Limited, Steel Exchange India Limited and Vakrangee Limited. Apart from being Director of Polygenta Technologies Limited, she is a member of the following committees of Polygenta - Audit Committee & Nomination and Remuneration Committee.

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

Item 6

Transaction with Related Party

The Company is making all efforts to sell its high quality recycled sustainable polyester yarn at Premium pricing compared to virgin. The Company is in discussion with related Party 'PerPETual Global Technologies Limited' for sale of Recycled Yarn.

Clause 188 of the Companies Act, 2013 states that no approval for related party transaction is required either of Board or Shareholder if the transaction is in the ordinary course of business and on the basis of arm's length price. However, from 1st October 2014 onwards, Clause 49 of the Listing Agreement with BSE Limited requires that all material Related Party Transactions shall require approval of the shareholders through special resolution. Since the sale of Yarn may exceed 10% of Polygenta's sale for the Year Ended 31st March 2015 the Shareholders permission is sought for sale of such goods.

The following are the details of the proposed transaction to be entered into:

- (1) Name of the Party : PerPETual Global Technologies Limited
- (2) Name of the Director or KMP who is related : Mr. Marc Lopresto as he is the Director of PerPETual Global Technologies Limited
- (3) Nature of Relationship: PerPETual Global Technologies Limited is the Lead Promoter and holding company of Polygenta Technologies limited and holds 55.75% of the equity share capital (58.15% on diluted basis).
- (4) Nature, material terms, monetary value and particulars of the contract or arrangement: Supply of DTY at arms length price prevailing at the time of despatch of materials maximum to the extent of USD 1.5 Million upto September 2016 against 100% advance. The Board is entitled to refund the advance received any time if the materials cannot be supplied.

Your Directors recommend passing of this resolution.

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

Paresh Damania
Company Secretary

Place: Mumbai

Date: 12th August 2015

Corporate Identification Number (CIN) - L17120MH1981PLC025388

Registered Office:

Solitaire Corporate Park,
Building No.1, 6th Floor, Unit No.2,
Andheri-Ghatkopar Link Road,
Chakala, Andheri (East),
Mumbai: 400093

Tel: +91 22 6193 3333 Fax: +91 22 6193 3316,

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 Third Annual Report on the business and operations of Polygenta Technologies Limited (the "Company") and Audited Accounts for the financial year ended 31st March 2015.

1. FINANCIAL RESULTS

Particulars	Year Ended 31 st March 2015 (₹ in Millions)	Year Ended 31 st March 2014 (₹ in Millions)
Revenue from Operations	556.7	552.0
Profit/(Loss) before		
Depreciation and Interest	(306.1)	(412.9)
Depreciation	155.1	157.0
Borrowing Cost	157.7	129.7
Profit/(Loss) before		
Exceptional Items	(618.9)	(699.6)
Exceptional Items	24.0	-
Profit/(Loss) before tax	(642.9)	(699.6)
Provision for current		
tax reversal	7.7	-
Deferred Tax Assets		
reversal	-	-
Profit/(Loss) after tax	(635.2)	(699.6)
Balance Loss b/f from		
previous year	(1881.3)	(1,181.8)
Additional Depreciation		
as per Companies Act, 2013	(4.8)	-
Balance of Loss to be		
carried to Balance Sheet	(2,521.3)	(1,881.3)

STATE OF COMPANY AFFAIRS

During the financial year 2014-15, the company improved the quality of its products, which supported an increase in sales of its sustainable polyester filament yarn ("PFY") made from solely from 100% post-consumer ("p-cPET") to 5,158 metric tonnes ("MTs"). Customers used these sustainable yarns for a range of apparel and other applications segments - sports, casual wear, etc. This 571 MTs increase represented a 12.4% improvement over 2013-14 sales of 4,587 MTs. However, the Company continued to incur operating income losses, though materially lower versus the prior year, due to a number of factors including:

- A dramatic fall in crude prices which lead to a contraction in margins in the conventional market, and volatile feedstock and product pricing environment that inhibited sales and contributed to losses on inventory valuations of inputs and finished goods;

- Gradual attainment of targeted standards and consistent production of the same with top quality levels – particularly for finer deniers of micro-filament yarn – being reached only near the end of the operating year.
- The long sales cycle and switching costs encountered in supplanting entrenched, historical suppliers of PFY yarn to global brands. In a number of cases, this has also entailed persuading brands to switch from conventional PFY (made from petrochemicals) to sustainable PFY. These latter efforts have been especially challenging because your company has needed to overcome general customer perceptions of lower product consistency which has been the experience overall of global brands with suppliers in the niche segment of sustainable PFY.

In addition to its important progress on product quality and consistency, achieved gradually throughout the year, the Company also improved operating efficiencies and consistency through a wide range of initiatives, including:

- Improving the quality of the p-cPET flakes at the input phase of the Company's proprietary chemical recycling process;
- Further modifications to components of its recycling process;
- Improved labour productivity ; and
- Enhances product quality practices, analytical tools and practices.

For the year 2014-15, Polygenta incurred losses of Rs.635.2 million.

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

The Nasik plant continued in efforts to maintain a high standard of HSE performance through its HSE Management Systems, as originally conceived and developed with the support of the Company's ECB lenders (i.e. sovereign sustainability and development funds of Finland and Sweden, Finnfund and Swedfund respectively). This includes the factory monitoring and reporting regularly its operations with respect to Maharashtra Pollution Control Board and the World Bank-IFC standards for air emissions, wastewater effluent treatment, noise pollution, and compliance with the provisions of its Environmental Social Management System.

Integrated Management System Certification

In September 2013, the Company attained certification for its performance in line with