



POLYGENTA TECHNOLOGIES LIMITED

**34th ANNUAL REPORT
2015 - 2016**

CORPORATE IDENTIFICATION NO.: L17120MH1981PLC025388

BOARD OF DIRECTORS :	Ms. Sujata Chattopadhyay	Chairperson, Independent Director
	Mr. Marc Lopresto	Director
	Mr. Ghanshyam Karkera	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

REGISTERED OFFICE : Kaledonia (HDIL) Building,
Unit No. 1B, 5th Floor,
Sahar Road,

COMPANY SECRETARY : Mr. Paresch Damania

Off Western Express
Highway, Andheri(E),
Mumbai : 400069

BANKERS : Ratnakar Bank
Standard Chartered Bank
Kotak Mahindra Bank

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

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

Route Map to the AGM Venue

Venue: 'the Mirador' Hotel, Andheri-Ghatkopar Link Road, Chakala, Andheri (E), Mumbai – 400 099

Landmark : Opposite Solitaire Corporate Park

Distance from Andheri Railway Station: 2.3 KM

Distance from WEH Metro Station: 0.6 KM



CONTENTS	
Particulars	Page No.
Notice of Annual General Meeting	2
Directors' Report	10
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.	15
Annexure 'II' : Company's Policy on Directors Appointment and Remuneration	16
Annexure 'III' : (A) Directors' Responsibility Statement as required Under Section 134(3) of The Companies Act, 2013 (the Act)	19
(B) Compliance With Code of Conduct:	19
Annexure 'IV' : Form No. AOC-2 - Related Party Transactions	20
Annexure 'V' : Secretarial Audit Report for the Year Ended 31st March, 2016	22
Annexure 'VI' : Report On Corporate Governance	24
Annexure 'VII' : Management Discussion and Analysis Report	31
Annexure 'VIII' : Particulars of Remuneration as Per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	35
Annexure 'IX' : Comparison of Directors Remuneration with Median Employee Remuneration	37
Annexure 'X' : Form No. MGT-9 - Extract of Annual Return as on the Financial Year Ended on 31st March 2016	38
Auditors Report	46
Balance Sheet	52
Profit & Loss Account	53
Cash Flow Statement	54
Notes To Financial Statements	55

NOTICE is hereby given that the 34th Annual General Meeting of Members of Polygenta Technologies Limited will be held on Tuesday, September 27, 2016 at 4.00 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, 2016 together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Marc Lopresto, 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 2017 of the Company at such remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:-

4. **To consider Appointment of Mr. Ghanshyam Karkera as Independent Director and if thought fit, to pass the following resolution as Ordinary Resolution:**

“RESOLVED that pursuant to the 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] read with Schedule IV to the Companies Act, 2013, the appointment of Mr. Ghanshyam Vithaldas Karkera (DIN: 00001829) as Independent Director be and is hereby confirmed with effect from 6th November 2015 to hold office for five consecutive years for a term up to 5th November 2020”

5. **To consider entering into Transaction with Related Party and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT the Board of Directors be and is hereby authorised to enter into a transaction(s) for sale of DTY with the Related Party 'PerPETual Global Technologies Limited' up to Euro 3.0 Million (or amount equivalent thereto in any other currencies) up to 30th September 2017 provided that the transaction(s) 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 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.”

6. **To consider authorising Board for making Loans and Investments u/s 186 of Companies Act 2013 read with Companies (Meetings of Board and its powers) Rules 2014 and if thought fit, to pass the following resolutions as Special Resolutions:**

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014 (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to give any loans/any other form of debt to any person or other body corporate and / or to give guarantee and / or to provide security in connection with a loan/any other form of

debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas (in one or more tranches) up to maximum amount of ₹10 Crores (Rupees Ten Crores only) outstanding at any point of time not withstanding that the aggregate amount of all the loans / guarantees / securities / investments so far made together with the proposed loans / guarantees / securities / investments to be made, exceeds the prescribed limits under the Companies Act, 2013 so to meet any business emergencies / urgencies.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment including the timing, verifying the same as it may deem appropriate, and to sign all deeds, applications, documents and writings that may be required to be signed and to do and perform all such acts, deeds, matters and things as may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution".

7. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

"RESOLVED THAT pursuant to section 20 and other applicable provisions, if any of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ₹ 50/- (Rupees Fifty only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him / her in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel (KMP) of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as may in their absolute discretion deem necessary, proper, desirable and expedient and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

8. To consider taking approval of the Shareholders for the existing External Commercial Borrowings (ECB) from PerPETual Global Technologies Limited and in this regard, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions

"RESOLVED THAT pursuant to Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the approval of the members be and is hereby given that the agreement for ECB loan of USD 20 Million dated 25th November 2013 entered into between Polygenta Technologies Limited and PerPETual Global technologies Limited (PGTL), as amended from time to time be and is hereby confirmed and approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts / deeds and things as may be required in this connection.

RESOLVED FURTHER THAT the Board may delegate any committee or any representative to do all such acts / deeds and things as may be required in this connection."

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

Place: Mumbai
Date: 12th August 2016

Paresh Damania
Company Secretary

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 8 is annexed hereto.
2. The register of members and the share transfer books of the Company will remain closed from 21st September 2016 to 27th September 2016 (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 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. As required under Secretarial Standard on General Meeting, the route map of the venue of the meeting is given elsewhere in the Annual Report.
7. **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 24th September 2016 at 9.00 a.m. and ends on 26th September 2016 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 20th September 2016 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) 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.

(xxi) 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.

8. 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.
9. 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.
10. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members.
11. Ms. Shailashri Bhaskar, Practicing Company Secretary (Membership No. FCS-5778 and CP No.5092) has been appointed as the Scrutinizer to scrutinize e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) and the Polling at the AGM, in a fair and transparent manner.

The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast 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. 4****Appointment of Mr. Ghanshyam Karkera as Independent Director**

Mr. Ghanshyam Vithaldas Karkera was appointed as the Independent Director of the Company on November 6, 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.

Mr. Ghanshyam Vithaldas Karkera, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 (five) consecutive years for a term up to November 5, 2020. 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.

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

The Board recommends the resolution for Shareholders' approval.

Pursuant to Regulation 36(3) of the SEBI Listing Regulations, the following information is furnished.

Mr. Ghanshyam Vithaldas Karkera, aged 59 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 37 years of experience in the area of Banking, Finance, Statutory Audits, Company Secretarial work and Management Consultancy.

He is not a Director in any other Listed Company. Apart from being Director of Polygenta Technologies Limited, he is a member of the following committees of Polygenta - Audit Committee & Nomination and Remuneration 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.

Item 5**Entering into 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, Clause 23 of SEBI Listing Regulations requires that all material Related Party Transactions shall require approval of the shareholders. Since the sale of Yarn will exceed 10% of Polygenta's sale for the Year Ended 31st March 2016 the Shareholders permission is sought for sale of such goods.

The Shareholders had at the last AGM held on 24th September 2015 passed resolution for entering into sale transaction upto US\$ 1.5 Million. However, the validity is upto 30th September 2016. The Company has already received orders for equivalent to US\$ 1.43 Million. The Company is expecting further orders from PGTL. Therefore, it is proposed to enable Board of Directors to enter into sale transaction of recycled yarn upto Euro 3.00 Million with validity period upto 30th September 2017.

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 55.24% 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 arm's length price prevailing at the time of despatch of materials maximum to the extent of Euro 3.0 Million upto 30th September 2017 against 100% advance. The Board is entitled to refund the advance received any time if the materials cannot be supplied.

Except Mr. Marc Lopresto, who is interested in the resolution as he is the Director of PerPETual Global Technologies Limited, none of the other Directors /KMP or their relatives are concerned or interested in these resolutions.

The Board recommends the resolutions for Shareholders' approval.

Item 6

To consider authorising Board for making Loans and Investments u/s 186 of Companies Act 2013 read with Companies (Meetings of Board and its powers) Rules 2014

The Board of directors at its meeting held on 12th August 2016 formed an opinion that the Company may have to give loan(s) or give any loans/any other form of debt to any person or other body corporate and / or to give guarantee and / or to provide security in connection with a loan/any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate so as to meet certain business emergencies / urgencies. Accordingly, the Board decided to seek shareholders' approval u/s 186 of the Companies Act, 2013 to make such loans/investments/guarantees upto ₹10 Crores.

The limit proposed amounting to ₹ 10 Crores is well within the power of the Board. But in view of the negative Networth as on 31st March 2016, the aforesaid resolution is proposed to be passed by Shareholders as a good corporate governance practice.

None of the Directors / KMP or their relatives are concerned or interested in these resolutions.

The Board recommends the resolutions for Shareholders' approval.

Item 7

To consider and determine the fees for delivery of any document through a particular mode of delivery to a member:

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or speed post or by courier or by delivering at his office or address or such electronic or other modes as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

None of the Directors / KMP or their relatives are concerned or interested in this resolution.

The Board recommends these resolutions for Shareholders' approval.

Item 8

To consider taking approval of the Shareholders for the existing External commercial Borrowings from PerPETual Global Technologies Limited (PGTL)

The Company has an existing ECB loan facility of USD 20 Million, with PGTL as Lender, the original agreement for which was entered into on 25th November 2013 (and amended from time to time) and against which Polygenta has drawn USD 19.9 million upto 12th August 2016. As per Clause 23(8) of the SEBI Listing Regulations, all existing material related party contracts or arrangements entered into prior to 1st December 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 1st December 2015. This is the first General Meeting after 1st December 2015 and therefor, the resolution is proposed for Shareholders approval.