



POLYGENTA TECHNOLOGIES LIMITED

**35th ANNUAL REPORT
2016 - 2017**

CORPORATE IDENTIFICATION NO.: L17120MH1981PLC025388

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

COMPANY SECRETARY : Mr. Paresch Damania

Sahar Road,
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: Residency Hotel, Suren Road, Andheri-Kurla Road, Andheri (E), Mumbai - 400 093

Landmark : Near WEH Metro Station,

Distance from Andheri Railway Station: 1.8 KM

Distance from WEH Metro Station: 0.2 KM



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NOTICE OF AGM – 2017

NOTICE is hereby given that the 35th Annual General Meeting of Members of Polygenta Technologies Limited will be held on Friday, 22nd September, 2017 at 4: 00 p.m. at Residency Hotel, Suren Road, Andheri-Kurla Road, Near WEH Metro Station, Andheri (E), Mumbai – 400 093 to transact the following business:-

Ordinary Business:-

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2017 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 resolutions as Ordinary Resolutions:

“RESOLVED THAT pursuant to provisions of Section 139,,142 and other applicable provisions of the Companies Act,2013, if any, read with Companies (Audit & Auditors) Rules,2014, including any statutory enactments or modification thereof, M/s Bagaria & Co LLP (Firm Registration No. 113447W/ W-100019) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting of 2022 of the Company, subject to ratification as to the said appointment at every Annual General Meeting, on such remuneration as may be mutually agreed by and between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorised for and on behalf of the Company to take all necessary steps and to do all such acts, deeds , matters and things which may deem necessary in this behalf.”

Special Business:-

4. **To consider entering into Transaction with Related Party and if thought fit, to pass, the following resolutions as Ordinary Resolutions:**

“RESOLVED THAT the Board of Directors be and is hereby authorised to enter into transactions 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 2018 provided that the transactions 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.”

5. **To consider ratification of price of the Rs.47/- per CCPS allotted to PerPETual Global Technologies Limited (PGTL) and if thought fit, to pass, the following resolutions as Special Resolutions:**

RESOLVED THAT pursuant to Clause 74(2) of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations"); consent of the members is given to ratify the price of Rs.47/- per CCPS (Face Value of Rs.10/- and premium of Rs.37/- per CCPS) at which 1,01,55,893 CCPS were allotted to PerPETual Global Technologies Limited, for which Shareholders approval was initially granted for issue of 1,30,00,000 CCPS (The total 1,30,00,000 CCPS includes allotment to an another allottee) through Postal Ballot resolution, the results of which were declared on 19th September 2014.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of issue of CCPS is 23rd August 2017 in accordance with SEBI ICDR Regulations.

RESOLVED FURTHER THAT for giving effect to this resolution, the Board be and is hereby authorized to take such steps and to all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this resolution and to settle any question, remove any difficulties or doubts that may arise from time to time in relation to CCPS which were allotted on 24th February 2015 and to take such actions or give such directions as it may consider as being necessary or desirable and to obtain any approvals, permissions, sanctions which may be deemed fit.

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

Place: Mumbai
Date: 23 August, 2017

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 & 5 is annexed hereto.
2. The register of members and the share transfer books of the Company will remain closed from Saturday, 16th September 2017 to Friday, 22nd September 2017 (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 Tuesday, 19th September 2017 at 9.00 a.m. and ends on Thursday, 21st September 2017 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 15th September 2017 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, Practising 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 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 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 4****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 2017 the Shareholders permission is sought for sale of such goods.

The Shareholders had at the last AGM held on 27th September 2016 passed resolution for entering into sale transaction upto Euro 3 Million. However, the validity is upto 30th September 2017. As the Company is expecting further orders from PGTL, 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 2018.

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 75.4% of the equity share capital.
- (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 2018 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 5**Ratification of price of the Rs.47/- per CCPS allotted to PerPETual Global Technologies Limited**

The Company had through Postal ballot, results of which were declared on 19th September 2014, consented to offer, issue and allot on preferential basis up to 1,30,00,000 Compulsory Convertible Preference Shares ("CCPS") at a price of Rs.47/- per CCPS (i.e. Face Value of Rs.10/- and premium of Rs.37/- per CCPS) being the price determined in accordance with SEBI ICDR Regulations.

In terms of Regulation 74(1) of SEBI (ICDR) Regulations, the allotment of CCPS was to be completed within 15 days of the Postal Ballot Results declared on 19th September 2014 OR if any approval or permission by any regulatory authority or Central Government is pending, the period of 15 days shall be counted from the date approval or permission, as the case may be. In-principle approval for allotment of 1,30,00,000 CCPS was received on 29th September 2014. Pursuant to this, an allotment of 13,25,000 CCPS was made to Ventureast Life Fund III on 30th September 2014 and the equity shares arising out of the conversion of these CCPS were listed subsequently. As explained in the subsequent paragraph, an allotment of 1,01,55,893 CCPS was made to PerPETual Global Technologies Limited (PGTL) on 24th February 2015.

The pre-referential equity shares held by PGTL to the extent of 2,20,69,886 equity shares were in physical form as the Listing approval of the said pre-referential equity share was not received. As per SEBI ICDR Regulations, the entire pre-referential equity shares were required to be in dematerialised form before allotting the CCPS. The dematerialization of these 2,20,69,886 equity shares in turn required prior receipt of Listing approval from the BSE.

The Company received Listing approval for pre-preferential holding of 2,20,69,886 equity shares held by PGTL on 10th February 2015. Within 15 days of this approval the Company dematerialised the pre-preferential shares and allotted the CCPS on 24th February 2015. The Company is of the view that it is in compliance with Regulation 74(1) of the SEBI (ICDR) Regulations, as it allotted the CCPS within 15 days of Listing approval received for pre-preferential holding.

However, now the Company has been advised to take a conservative view that the period of 15 days should be counted from the date of in-principle approval. Based on this conservative view, the CCPS should have been allotted before 14th October 2014. Because the Company did not allot the CCPS before this date, the Company has not complied with Regulation 74(1) of SEBI ICDR Regulations as per this view. Therefore, the Company needs to now proceed in compliance with the requirement made under Reg. 74(2) of Chapter VII, SEBI ICDR Regulations.

As per Regulation 74(2) of SEBI ICDR Regulations, if the allotment of specified instruments and dispatch of certificates is not completed within 15 days from Shareholders' Special Resolution or from approval or permission by any regulatory authority or Central Government, a fresh special resolution shall be passed and the relevant date for determining the price of CCPS will be taken with reference to the date of latter special resolution.

In view of the above, consent of the Members is now sought to ratify the pricing of the allotment of 1,01,55,893 CCPS made to PGTL at a price determined in accordance with the Regulation 76 of SEBI ICDR Regulations and to set 23rd August 2017 as the relevant date for ascertaining the issue price. As the Company's shares are not frequently traded, the Company has obtained a valuation in compliance with Regulation 76A SEBI ICDR Regulations. The issue price calculated in accordance with Regulation 76A of SEBI ICDR Regulations is Rs 0.70 which is substantially lower than Rs.47/- (Face Value of Rs.10/- and premium of Rs.37/- per CCPS) at which 1,01,55,893 CCPS were allotted to PGTL. Accordingly, the allottee is not liable to pay any additional price towards the 1,01,55,893 CCPS allotted on preferential basis. However, in case the purchase price is re-computed and the said price is higher than the amounts already paid by the Allottee, then the Allottee shall pay the difference between (i) such higher computed price and (ii) the price already paid with respect to the allotted CCPS.

Mr. Marc Lopresto, Director of the Company is interested in the above resolution as Marc Lopresto is also a Director of PGTL. Other than Mr. Marc Lopresto, none of the other 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.

Perpetual Global Technologies Limited, the promoter and the major shareholder will abstain from voting on this resolution as it is interested in this resolution.

The Board recommends the resolutions for Shareholders' approval.

Relevant disclosures made in the Original Notice dated 16th August 2014 for Postal Ballot Resolution. The disclosures stated therein are reproduced hereunder:

Issue of CCPS

The members of the Company at their Annual General Meeting held on July 17, 2014 had approved by way of Special Resolution to offer, issue and allot 13,000,000 CCPS of Rs. 10/- each at a premium of Rs. 37 per CCPS through Preferential Allotment. Since the explanatory statement to the notice for the said AGM did not - contain a statement with reference to regulation 73(1)(e) of the SEBI (ICDR) Regulations, the Company is now seeking the approval from shareholders for the above through postal ballot.

The Special Resolution has been proposed under the provision of section 62(1) (c) of the Companies Act, 2013 ("the Companies Act"). Further, under the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (the "Stock Exchange"), the Company, in the first instance, is required to offer all shares for subscription, pro-rata, to the existing shareholders unless they decide otherwise in a general meeting.

The Board believes that the proposed offer to the person set out in the table below will be in the best interest of the Company and its members.

Name of the Party	Number of CCPS
PerPETual Global Technologies Limited (Mauritius)	11,500,000
VenturEast Life Fund III (India)	1,500,000

The disclosures pursuant to the provisions of SEBI (ICDR) Regulations for preferential allotment and section 102 of Companies Act, 2013 are as under:

1. Size and Price of the Issue :

The maximum size of the preferential issue is Rs 61.10 Crores divided into 13,000,000 CCPS of face value of Rs. 10 each to be issued at a premium of Rs. 37 per CCPS.

2. Nature of Securities and manner of issue of Securities

The securities being issued are Compulsory Convertible Preference Shares ("CCPS") on preferential basis.

3. Basis of Pricing and Justification:

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") for preferential issues, any issue of equity shares on a preferential basis can be made only at a price, which is not less than the higher of the following:

- i) Average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange during the 26 (Twenty Six) weeks preceding the Relevant Date; or
- ii) Average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange during 2 (Two) weeks preceding the Relevant Date.

The "Relevant Date" for calculating the floor prices as per ICDR, means the date used in determining the conversion price of the CCPS which is 30 (thirty) days prior to the date of declaration of the results of postal ballot under section 110 of the Act read with rule 22 of the Companies (Management and Administration) Rules, 2014. Therefore, the Relevant Date for the purpose of calculation of price is August 20, 2014, being 30 days prior to the declaration of results of Postal Ballot i.e. September, 19, 2014 which is deemed to be the date of the general meeting.

The offer price arrived at is based on SEBI (ICDR) Regulations, 2009. The Book Value as per the latest audited accounts for the year ended 31st March 2014 is Rs.2.21 per share which is much lesser than the offer price.

4. Terms of Issue and Conversion

Please refer proposed resolution above for terms of issue and conversion.

5. Object of the Issue:

The object of the preferential issue is to mobilise funding for augmenting working capital, and funding capital expenditures to enhance the performance of the Company's factory in Nashik, India.

6. Proposal of the Promoters/Directors/Key Management Persons of the Issuer to subscribe to this Preferential Offer:

PerPETual Global Technologies Limited, the proposed allottee, is a Promoter of the Company.