

STATUTORY AUDIT REPORT

OF

POLYMAC THERMOFORMERS LIMITED

29A, WESTON STREET, 3RD FLOOR, ROOM NO. C 5,
KOLKATA- 700012.

F.Y. – 2015-16

A.Y. – 2016-17

A.K.PATHAK & CO.
4, APRAKASHAN MUKHERJEE LANE
SHIBPUR, HOWRAH-711102



POLYMAC THERMOFORMERS LIMITED

CIN No. L25201WB1999PLC090774

29A, WESTON STREET, 3RD FLOOR, ROOM NO.: C-5, KOLKATA - 12

Ref. No.

Date.....

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2015-2016

To,

The Members,

Your directors have pleasure in presenting their Seventeenth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2016.

1. FINANCIAL HIGHLIGHTS:

During the year under review, performance of your company as under:

(Amount in Rupees)

PARTICULARS	CONSOLIDATED		STANDALONE	
	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net Sales /Income from Business Operations	14,807,178.93	14,689,514.30	14,807,178.93	14,689,514.30
Other Income	16,207,694.00	60,447,117.98	16,207,694.00	60,429,082.98
Total Income	31,014,872.93	75,136,632.28	31,014,872.93	75,118,597.28
Less Total Expenses	29,518,217.53	72,816,373.77	29,440,565.00	72,680,419.77
Profit before Depreciation	1,496,655.40	2,320,258.51	1,574,307.93	2,438,177.51
Less Depreciation	1,452,169.32	1,530,749.00	1,388,349.32	1,530,749.00
Profit after depreciation and Interest	44,486.08	789,509.51	185,958.61	907,428.51
Less Current Income Tax	35,434.52	223,447.00	35,434.52	222,211.00
Less Previous year adjustment of Income Tax ,	-	-	-	-
Less Deferred Tax	-	(22,989.00)	-	-
Net Profit after Tax	9,051.56	589,051.51	150,524.09	685,217.51
Dividend (including Interim if any and final)	-	-	-	-
Net Profit after dividend and Tax	9,051.56	589,051.51	150,524.09	685,217.51

Amount transferred to General Reserve	-	-	-	-
Balance carried to Balance Sheet	9,051.56	589,051.51	150,524.09	685,217.51
No. of Shares	4,781,600.00	4,781,600.00	4,781,600.00	4,781,600.00
Earnings per share (Basic)	0.0019	0.1232	0.0315	0.1433
Earnings per Share (Diluted)	0.0019	0.1232	0.0315	0.1433

2. **DIVIDEND:**

(a) In order to conserve the resources, and to improve the financial position of the Company, the Directors of your Company do not recommend any dividend for the current year.

(b) **Transfer of unclaimed dividend to Investor Education and Protection Fund:**

There was no unpaid/unclaimed Dividend declared and paid last year and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

3. **AMOUNTS TRANSFERRED TO RESERVES:**

The Board of the company has not transferred amounts to its reserves.

4. **STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:**

The year 2015 – 2016 was indeed a challenging year for the Company due to the volatile market conditions. Persistent efforts have been made by the Company to maintain higher sales volume and reduce finance costs. In spite of the increased raw material prices, high inflation, & volatile market scenario, the company has been able to achieve net profit of Rs. 1.50 Lakhs as against Rs. 6.85 Lakhs.

The Company is taking all necessary steps to reduce wastages and make production cost efficient and will surely be able to achieve its targets.

5. **CHANGE IN NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business of the company.

6. **MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No such orders have been passed against the Company.

8. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company has Ten Subsidiary companies which are as follows:

- a) Aniratan Commotrade Ltd.
- b) Mastrowin Commotrade Ltd.
- c) Ransum Commotrade Ltd.
- d) Yuster Deltrade Ltd.
- e) Demont Commtrade Ltd.
- f) Fritter Dealtrade Ltd.
- g) Hummock Commotrade Ltd.
- h) Knoled Dealers Ltd.
- i) Seigneur Vanijya Ltd.
- j) Tutelary Traders Ltd.

During the year all these companies have ceased to be the subsidiary of the company.

- a) Octrate Dealcom Ltd.
- b) Pandemic Tradecom Ltd.
- c) Pebbly Commotrae Ltd.
- d) Perplex Tradecom Ltd.
- e) Continuance Vanjiya Limited.
- f) Crimsom Commotrade Limited.
- g) Indegenious Commontrade Limited.
- h) Bearberry Commotrade.
- i) caviore Commotrade Ltd.
- j) Groovy Commotrade Ltd.

10. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

11. STATUTORY AUDITORS:

M/s A.K.Pathak & Co., Chartered Accountants, Statutory Auditor of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act, 2013 it is proposed to re-appoint them as Auditor for the financial year 2016-17 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting subject to the approval of the Shareholders.

12. AUDIT QUALIFICATIONS ON AUDITOR'S REPORT:

There were no qualifications, reservations or adverse remarks made by the Auditors.

13. CHANGES IN SHARE CAPITAL, IF ANY:

During the Financial Year 2015-16, the share capital of the Company remained unchanged.

14. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return, in format MGT -9, for the Financial Year 2015-16 has been enclosed with this report.

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** and is attached to this report

16. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Key Managerial Personnel of the Company are as follows:

Mr. Jitendra Kumar Modi	Chief Financial Officer
Mr. Abhishek Kumar	Whole-time Director
Mrs. Neha Kheria	Company Secretary

(a) Changes in Directors and KMP:

During the period, Mr. Jitendra Kumar Modi, Director has resigned from the post of Directorship of the Company but still continue to be Chief Financial officer of the company.

During the period, Mrs. Swati Dhanuka, resign from the post Company Secretary of "POLYMAC THERMOFORMERS LIMITED" with effect from 01/09/2015 due to some personal reason.

Your Directors take this opportunity to convey their thanks Mrs. Swati Dhanuka, Company Secretary of the Company for the valuable services rendered by her during her tenure.

In accordance with the section 203 (1) of the Companies Act, 2013 Mrs. Neha Kheria was appointed as Company Secretary respectively w.e.f 2nd February 2016.

(b) Declaration by Independent Director(s) and reappointment, if any.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under LODR guidelines, 2016 of Listing Agreement entered into with the Stock Exchanges.

(C) Annual Performance and Board Evaluation. A declaration by the Independent director(s) under sub-section (6) of section 149 of the Companies Act, 2013 has been enclosed in Annexure II.

18. NUMBER OF BOARD MEETINGS:

Detail showing the Number of Board Meeting held in the financial year 2015-16 along with the detail of Directors attending the Board Meeting

Name of Directors	30.05.15	04.07.15	08.08.15	10.08.15	25.08.15	01.09.15	15.10.15	02.02.16
Puspjeet Kumar	✓	✓	✓	✓	✓	✓	✓	✓
Puja Sharma	✓	✓	✓	✓	✓	✓	✓	✓
Amit Rathi	✓	✓	✓	✓	✓	✓	✓	✓
Abhishek Kumar	✓	✓	✓	✓	✓	✓	✓	✓
Jitendra Kumar Modi	✓	✓	✓	✓	✓	✓	✓	✓

19. AUDIT COMMITTEE:

During the period under review, the Board of Directors of your Company constituted a Audit Committee in accordance with the provisions of Section 177 of the Companies Act,

2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013.

The Audit Committee consists of the following member's:

Name of the members	Category
Mr. Amit Rathi (Chairman)	Non –Executive Independent Director
Mrs. Puja Sharma	Non –Executive Independent Director
Mr. Puspjeet Kumar	Non- Executive Director

All the recommendations made by the Audit Committee were accepted by the Board.

20. NOMINATION AND REMUNERATION COMMITTEE:

During the year under review, the Board of Directors of your Company constituted a Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 19 of Sebi LODR guidelines, 2015. The composition of the committee is as under:

Name of the members	Category
Mr. Puspjeet Kumar	Non –Executive non Independent Director
Mr. Amit Rathi	Non –Executive Independent Director
Mrs. Puja Sharma	Non- Executive Independent Director

(a) Company's policy relating to directors appointment, payment of remuneration and discharge of their duties:

The Committee has formulated the Nomination and Remuneration Policy which broadly laid down the various principles of remuneration and covers the procedure for selection, appointment and compensation structure of Board members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company.

(b) Performance evaluation:

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the

Companies Act, 2013 and the regulation 19 of Sebi LODR guidelines, 2015 covering inter-alia the following parameters namely:

1. Board Evaluation
2. Board Committee Evaluation
3. Individual Director Evaluation

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Individual Directors (including Independent Directors) was evaluated to be satisfactory.

During the year under review, the Independent Directors of your Company reviewed the performance of Non- Independent Directors and Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees but company has made investments by subscribing the shares of ten companies under Section 186 of the Companies Act, 2013 during the year under review which was as per section 186 of the Companies Act, 2013.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All the related party transactions of your Company are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. There are no materially significant transactions made by the Company with Promoters, Directors or Key Managerial Personnel (KMPs) which have potential conflict with the interest of your Company at large. Members may refer to the notes to the financial statements for details of related party transactions. Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

23. SECRETARIAL AUDIT REPORT:

Your Company appointed Mr. Saket kumar, member of The Institute of Company Secretaries of India (Membership No. ACS: A40686 Certificate of Practice No: 15166 as the Secretarial Auditor of your Company for FY 2015-16 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

There were no qualifications, reservations or adverse remarks made by the Practicing Company Secretary in Secretarial Audit Report MR 3 except as mentioned below:

1. Minutes of board meeting and Committee of Directors meeting is unsigned.

2. Each page of Minutes Book is not consecutively numbered violating section 118 of the Companies Act, 2013.
3. Form Dir 8 is not taken from the director who are appointed or reappointed by the company violating section 164(2) of the Companies Act, 2013.
4. The company has not complied on time certain LODR guidelines on the due date.

The Secretarial Audit Report for the Financial Year 2015-16 forms a part of the Annual Report.

24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there were no such employees drawing remuneration in excess of the limits set out in the said rules.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The Nomination and Remuneration Committee has affirmed that the remuneration is as per remuneration policy of the Company.

25. CORPORATE GOVERNANCE:

The requirements of Corporate Governance as stipulated under Regulation 17 to 27 of the LODR Regulation, 2015 with the Stock Exchanges is not applicable on BSE SME listed company but it is specified in Companies Act, 2013, it forms part of the Annual Report.

26. RISK MANAGEMENT POLICY:

Your company already has "Risk Management Policy" in writing which is also uploaded on the website of the company. The policy is regularly updated taking into consideration the changes taking place in the business environment. Your company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

27. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 as at 31st March, 2016 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

28. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

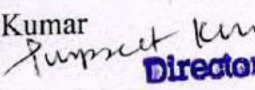
Management's Discussion and Analysis Report for the year under review, as stipulated under LODR Guidelines is presented in a separate section forming part of the Annual Report.

29. ACKNOWLEDGMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

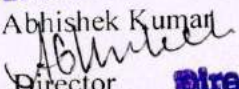
POLYMAC THERMOFORMERS LIMITED

Pusjeet Kumar
Director  **Director**

Date: 02.08.2016

Place: Kolkata

POLYMAC THERMOFORMERS LIMITED

Abhishek Kumar
 **Director**