

PEARL POLYMERS LIMITED



PEARL

46th

ANNUAL REPORT

2016-2017

PEARL Polymers Limited
CIN:L25209DL1971PLC005535

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Chand Seth	Chairperson & Managing Director
Mr. Varun Seth	Whole Time Director
Mr. Ramesh Mehra	Whole Time Director
Ms. Meera Johri	Non-Executive Independent Director
Mr. Ravi Kumar Mehra	Non-Executive Independent Director
Mr. Ashish Harish Bhuva	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Rajesh Mehra

COMPANY SECRETARY

Ms. Priyanka

REGISTERED OFFICE

Pearl Polymers Limited
A-97/2, Okhla Industrial Area
Phase-II, New Delhi- 110020
Phone No.:011-47385300
Fax No.: 011-47480746
E-mail: pearlsecretarial@pearlpet.net
Website: www.pearlpet.net

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone No.:011-26387281-83
Fax No.: 011-26387384
E-mail: mas_serv@yahoo.com
Website: www.masserv.com

BANKERS

Bank of Baroda
IDBI Bank Ltd.

AUDITORS

Sehgal Mehta & Co., Chartered Accountants
10173/2, Block No. 15, Abdul Aziz Road 13
W.E.A Karol Bagh, New Delhi-110005

46th AGM

Date: 29.09.2017
Day: Friday
Venue: A-97/2 Okhla
Industrial Area, Phase-2,
New Delhi-110020

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WORKS:

Location(s)	Address
Mahad	B-3/2, M.I.D.C. Industrial Area, Mahad, Distt. -Raigad, Maharashtra- 402309
Jigani	13-A, Part-I, Jigani Industrial Area, Distt. Anekal, Bangalore, Karnataka - 562106
Baddi	Khasra No 512-513, Village Sandholi, P.O. Baddi, Nalagarh, Himachal Pradesh- 173205
Pant Nagar	Plot No 45, Sector-3, Village Kalyanpur, Distt U.S.,Nagar, IIE, Rudrapur, Pant Nagar, Uttaranchal- 263153
Guwahati	Plot No 10, Jagati Logistic, Distt. Kamrup, Village Sindurghopa Guwahati, Assam – 781101



NOTICE TO MEMBERS

NOTICE is hereby given that the **Forty Sixth Annual General Meeting** ("AGM") of the Members of Pearl Polymers Limited (CIN:L25209DL1971PLC005535) will be held on Friday, 29th day of September 2017, at 11.30 A.M. at A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020, registered office of the Company, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Varun Seth (DIN:00017552), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 139,141 and 142 read with Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for the re-appointment of Sehgal Mehta & Co., (Firm Registration No. 003330N), Chartered Accountants, as the Statutory Auditors of the Company for a further period of five years, from the conclusion of this Annual General Meeting till the conclusion of the Fifty First Annual General Meeting (subject to ratification of their appointment at every AGM), on such remuneration as may be decided by the Board of Directors of the Company from time to time."

SPECIAL BUSINESS

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Chand Seth (DIN:00002944) as the Chairman & Managing Director of the Company for a further period of three years with effect from April 01, 2017, on the terms and conditions including remuneration as set out in explanatory statement attached hereto, with the liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or

remuneration as it may deem fit and as may be acceptable to Mr. Chand Seth, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Chand Seth, Chairman & Managing Director of the Company shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors/ Company Secretary be and hereby severally authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

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

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Ramesh Mehra (DIN:00003334), as the Whole Time Director of the Company, for a further period of three years with effect from September 01, 2017, on the terms and conditions including remuneration as set out in explanatory statement attached hereto, with the liberty to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Ramesh Mehra, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Ramesh Mehra, Whole Time Director of the Company, shall be liable to retire by rotation in pursuance of the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors/ Company Secretary be and hereby severally authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

By Order of the **Board of Directors**
For **Pearl Polymers Limited**

Place: New Delhi
Date: August 09, 2017

Priyanka
Company Secretary
Membership No: 36870



NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. In terms of Section 152 of the Companies Act, 2013, Mr. Varun Seth (DIN:00017552) Director, is liable to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. Brief profile and information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of appointment of Director is furnished in the annexed Explanatory Statement.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

The instrument appointing Proxy, duly filled, stamped, dated and signed shall be deposited at the Registered Office of the Company at least **FORTY EIGHT HOURS** before the time for holding the AGM. Proxy Form is enclosed and forms an integral part of the Annual Report. Proxies submitted on behalf of Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members/proxies are requested to bring their duly filled attendance slip annexed hereto, to attend the AGM mentioning therein details of their DP and Client ID/ Folio No.
5. In case of joint holders attending the AGM, only such joint holder whose name stands first or higher on the Register of Members shall be entitled to vote.
6. As an austerity measure, copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their copy of Annual Report to the Meeting.
7. Relevant documents are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M. and 01.00 P.M. till the date of the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2017 to Friday, September 29, 2017 (both days inclusive).
9. The Members whose names appear on the Company's Register of Members as on Friday, September 22, 2017 ("cut-off date") will be eligible to attend and vote at the AGM.
10. All correspondence relating to change of address, change in the e-mail ID already registered with the Company, transfer/ transmission of shares, issue of duplicate share certificates, consolidation of folios, bank mandates and all other matters relating to the shareholding in the Company may be made to MAS Services Ltd., the registrar and share transfer agent ("MAS"). The Members holding shares in dematerialized form may send such communication to their respective depository participant/s (DPs).
11. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH-13 duly filled in to the Company / MAS / DP. The prescribed form can be obtained from the RTA/ DPs.
12. **TRANSFER OF UNCLAIMED FIXED DEPOSITS TO INVESTORS EDUCATION & PROTECTION FUND (IEPF)**

The Company has transferred the unclaimed fixed deposits up to the financial year 2009-2010 from time to time on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Section 125 of Companies Act, 2013, the Company has uploaded the details of unclaimed fixed deposit lying with the Company as on 30 September, 2016 (date of last AGM) on the website of the Company as also on the website of the Ministry of Corporate Affairs.
13. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including Annual Reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in dematerialised form may send such communication to their respective DPs and those holding shares in physical form may send such communication to the Company/ MAS. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialisation, which include easy liquidity.
14. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules framed thereunder, the Annual Report for financial year 2016-17 and the Notice of the AGM, inter-alia indicating the process and manner of Remote e-voting alongwith the attendance slip and proxy form are being sent by e-mail to those Members who have registered their e-mail ID either with the Company/RTA or with the Depository unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for financial year 2016-17 and the Notice of the AGM, inter-alia, indicating the process and manner of Remote e-voting along with the attendance slip and proxy form, will be sent in the permitted mode.
15. Shareholders are requested to send their queries, if any, on Annual Report, to the Company Secretary, at least seven days before the date of the AGM, so that the requisite information/ explanations can be provided in

time.

16. Notice of the AGM and the Annual Report is made available on the Company's website www.pearlpet.net
17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company/ MAS.
18. A route map for the AGM venue is provided at the back cover of the Annual Report.

Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard-2 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members facility to exercise their right to vote on Resolutions proposed to be considered at the 46th AGM by electronic means which includes "remote e-voting" i.e., from a place other than venue of the AGM, provided by National Securities Depository Limited ("NSDL"). Member of the Company holding shares in physical form or in dematerialized form may exercise their right to vote by electronic means in respect of the resolutions contained in the Notice of the AGM.

19. The Members desiring to vote through electronic mode may refer to the detailed procedure for Remote E-voting given in the Attendance Slip, annexed to this Annual Report.
20. The Remote E-voting period will commence on Tuesday, September 26, 2017 (9.00 A.M.) and ends on Thursday, September 28, 2017 (5:00 P.M.).
21. Facility for voting through ballot/polling paper shall also be made available at the venue of AGM to the members who have not already cast their vote by remote E-voting.
22. Ms. Rashmi Sahni, Practicing Company Secretary (Certificate Practice No: 10493) has been appointed as the Scrutinizer for conducting remote e- voting facility and the voting process at the AGM in a fair and transparent manner. The Scrutinizer will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith with details of the number of votes cast for and against the resolution, invalid votes and whether the resolution has been carried or not.
23. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pearlpet.net and on the website of NSDL, simultaneously the Company shall forward the results to the Stock Exchange(s).

EXPLANATORY STATEMENTS AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3

Sehgal Mehta & Co. (Firm Registration No. 003330N) Chartered Accountants, have completed their first tenure of five (5) years in the Company at the ensuing AGM. In view of the same, the Board of Directors at its meeting held on May 30, 2017, pursuant to the recommendation of Audit Committee and subject to the approval of Members of the Company, has re-appointed Sehgal Mehta & Co., Chartered Accountants as Statutory Auditors of the Company for a further period of five (5) years i.e. from the conclusion of 46th Annual General Meeting till the conclusion of 51st Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

ITEM NO. 4 & 5

Mr. Chand Seth, has attained the age of 73 years, hence continuation of his employment as Chairman and Managing Director requires the approval of Members by way of a Special Resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the Members by passing a Special Resolution.

The Board of Directors ("the Board") of the Company, at its meeting held on February 09, 2017 and May 30, 2017 respectively, has subject to the approval of Members, reappointed Mr. Chand Seth, as the Chairman & Managing Director and Mr. Ramesh Mehra, as the Whole Time Director of the Company for a period of 3 (three) years with effect from April 01, 2017 and September 01, 2017, respectively on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors.

It is proposed to seek the Member's approval by way of Special Resolution for the re-appointment of and remuneration payable to Mr. Chand Seth as the Chairman & Managing Director and by way of Ordinary Resolution for the re-appointment of Mr. Ramesh Mehra as the Whole Time Director, in terms of the applicable provisions of the Companies Act, 2013.

The terms of re-appointment of and remuneration payable to Mr. Chand Seth are as under:

A. REMUNERATION including Basic salary, House rent allowance, Medical Reimbursement, Leave Travel Concession etc. aggregating to, but not exceeding Rs. 59,40,000 (Rupees Fifty Nine Lakhs and Forty Thousand Only) per annum.

B. PERQUISITES IN ADDITION TO THE ABOVE

1. Provident Fund: Company's contribution to Provident Fund, if applicable, as per rules of the Company will be subject to a ceiling of 12% of the salary as laid down



under the Income Tax Rules, 1962.

- 2. Earned/ Privileged Leave: As per the Rules of the Company, the leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- 3. Free use of Company's car with driver for business of the Company.
- 4. Free telephone and mobile facility at the Company's cost. However, personal long distance cost shall be billed to the appointee.

In the event of absence or inadequacy of profits, in any financial year, Mr. Chand Seth should be paid a consolidated remuneration of Rs. 59,40,000 (Rupees Fifty Nine Lakhs and Forty Thousand Only) per annum and the permissible perquisites in accordance with the provisions of Schedule V to the Companies Act, 2013.

Except Mr. Chand Seth and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The terms of re-appointment of and remuneration payable to Mr. Ramesh Mehra are as under:

- A. REMUNERATION including Basic salary, House rent allowance, Medical Reimbursement, Leave Travel Concession, etc. aggregating to, but not exceeding Rs. 18,00,000 (Rupees Eighteen Lakhs Only) per annum.
- B. PERQUISITES IN ADDITION TO THE ABOVE
 - 1. Provident Fund: Company's contribution to Provident Fund, if applicable, as per rules of the Company will be subject to a ceiling of 12% of the salary as laid down under the Income Tax Rules, 1962.
 - 2. Earned/ Privileged Leave: As per the Rules of the Company, the leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
 - 3. Free use of Company's car with driver for business of the Company.
 - 4. Free telephone and mobile facility at the Company's cost. However, personal long distance cost shall be billed to the appointee.

In the event of absence or inadequacy of profits, in any financial year, Mr. Ramesh Mehra should be paid a

B. INFORMATION ABOUT THE DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:

Description	Mr. Chand Seth	Mr. Ramesh Mehra	Mr. Varun Seth
Background details/Qualification	Mr. Chand Seth holds a degree in B.Tech (Mech.) from IIT (Kharagpur) and MS from Michigan University, USA, he has a rich experience of over 47 years in the field of Polymers.	Mr. Ramesh Mehra holds Bachelor degree in Engineering and Law. He has a rich experience of over 39 years in Commercial and Marketing field.	Mr. Varun Seth holds Bachelor degree in Engineering (Industrial Production). He has a rich experience of over 21 years in various fields like marketing, manufacturing etc.

consolidated remuneration of Rs. 18,00,000 (Rupees Eighteen Lakhs Only) per annum and the permissible perquisites in accordance with the provisions of Schedule V to the Companies Act, 2013.

Besides the remuneration paid to Mr. Ramesh Mehra as Director, other than Mr. Ramesh Mehra, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable, in the absence of any such Rules, perquisites shall be valued at actual cost.

ADDITIONAL INFORMATION'S AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ARE GIVEN BELOW:

A. GENERAL INFORMATION:

- (i) Nature of Industry: The Company is a leading Manufacturer of PET Jars and Bottles.
- (ii) Expected date of commencement of commercial production: The Company is an existing Company.
- (iii) Financial Performance based on given indicators: The relevant financial figures (Audited) as under: (Rs. In Lakhs)

Total Income	Total Expenses	Net Profits before Tax	Tax Expenses	Net Profit after Tax
17550.54	16407.79	61.13	24.79	36.34

- (iv) Earning and Expenditure in foreign currency: The Company has recorded export earnings of Rs. 5.42 Lakhs, import payments of Rs. 1337.22 Lakhs and expenses in foreign exchange of Rs. 2.31 Lakhs, details of which have been incorporated in note no. 34 to 36 to the Notes to financial statements.
- (v) Foreign Investments or collaborators, if any: Not Applicable.



PEARL Polymers Limited

Past remuneration	Rs. 54.00 Lakhs P. A.	Rs. 18.00 Lakhs P. A.	Rs. 42.00 Lakhs P. A.
Shareholding	8,90,475 Equity Shares	NIL	5,97,778 Equity Shares
Recognition or Awards	The Company won various awards namely World Star Award, Asia Star Award and Johnson & Johnson Worldwide Sustainability Award under their leadership. Mr. Chand Seth has been honoured by Lifetime Achievement Award for contribution to innovations and growth of the PET packaging sector in India.		
Job profile and responsibility	He is overall in charge of entire affairs of the Company. His experience in the field of polymers and his qualifications are ideally suited to the nature of our Industry, the benefits of which the Company has reaped over the years.	He has rich experience in Commercial and Marketing field and has immensely contributed towards achievement of our corporate goals	He has been actively involved in planning and framing of business strategies for introducing new products and clients for the Company. He has made significant contributions in the growth of Company.
Remuneration proposed	As provided in the resolution		Not Applicable
Comparative profile with respect to industry, size of the Company, profile of the position & person	Considering the size of the Company, the profile of the Managing Director & Whole Time Director, the responsibilities shouldered by them, in depth knowledge in operations and the industry benchmarks, the remuneration proposed is commensurate with the remuneration paid to similar appointees in other Companies.		
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Chand Seth is one of the Promoter of the Company. He is related to Mr. Varun Seth, Whole time Director of the Company.	Besides the remuneration paid to Mr. Ramesh Mehra as Director, does not hold any other pecuniary relationship with the Company.	Mr. Varun Seth is one of the person forming part of Promoter Group. He is related to Mr. Chand Seth, Chairman & Managing Director of the Company.
Outside Directorships	I. Pearl Flats (India) Ltd II. Pearl Telefonics Ltd III. Theta Investment Pvt. Ltd IV. Pacific Pearl Finance & Leasing Ltd V. Indo Nippon Chemical Co. Ltd	I. Pearl Engineering Polymers Ltd II. Pearl Apartments Ltd III. Amit Apartments Ltd IV. Speedshore Trading Company Pvt Ltd	I. Pacific Pearl Finance & Leasing Ltd II. Pearl Flats (India) Ltd III. Theta Investment Pvt. Ltd

C. OTHER INFORMATION:

- I. **Reasons of Inadequate Profits:** The operations of the company during the year were adversely impacted due to the declining and subdued sales. Further, cut throat competition in Pet Bottle and Jar market has led to lower profits.
- II. **Steps taken or proposed to be taken for Improvement:** The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production.
- III. **Expected increase in Productivity and Profits in measurable terms:** The Company expects to increase the productivity and profit by increasing new mandates. All possible efforts are making to increase market database. As a result Company expects to improve both the top line and the bottom line growth. The aforesaid measures are expected to substantially increase the productivity and profits of the Company.
- D. **Disclosures:** The information and disclosures of the remuneration package and committee position held by the managerial personnel have been provided in the Corporate Governance Report.

By Order of the Board of Directors
For Pearl Polymers Limited

Place: New Delhi
Date: August 09, 2017

Priyanka
Company Secretary
Membership No: 36870

Registered Office:

A-97/2, Okhla Industrial Area,
Phase-II, New Delhi-110020

**BOARD'S REPORT****TO THE MEMBERS,**

Your Directors are pleased to present the 46th Annual Report of Pearl Polymers Limited ("the Company") for the financial year ended March 31, 2017.

FINANCIAL SUMMARY

The Company's financial performance for the financial year ended March 31, 2017 is summarized below compared to previous financial year:

Particulars	2016-17	2015-16
Gross Sales and Other Income	18841.61	18757.70
Less: Excise Duty	1291.07	953.63
Total Income	17550.54	17804.07
Total Expenditure	16407.79	16650.43
Earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA)	1142.75	1,153.64
Depreciation and amortization expense	631.40	653.97
Finance costs	450.22	538.88
Profit/(loss) before tax	61.13	(39.21)
Tax Expenses	24.79	(85.61)
Profit after Taxation	36.34	46.40

(Rs. in Lakhs)

RESERVES

The Reserves and Surplus of the Company as on March 31, 2017 stood at Rs. 3638.48 Lakhs. No amount is proposed to be transferred to Reserves for the year.

DIVIDEND

To strengthen financial position and increase value of shareholders' investment in your Company, the Board has not proposed any dividend for the year.

SHARE CAPITAL

The Company's Capital Structure remains unchanged during the financial year 2016-17.

STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY

During the year, the total turnover of your Company was Rs. 18841.61 Lakhs for the year ended March 31, 2017 as against Rs. 18757.70 Lakhs in the previous year. Your Company registered a gross operating profit (EBITDA) of Rs.1142.75 Lakhs as against Rs. 1,153.64 Lakhs in the previous year ended March 31, 2016 which was marginally lower than the previous year due to higher operational cost. The profit after tax for the year ended March 31, 2017 is Rs. 36.34 Lakhs viz-a-viz Rs.46.40 Lakhs in the previous year. Further, your Company has successfully established a unit at Guwahati. This will boost new business opportunities for your Company in Eastern part of India also.

During the year, there is no change in the nature of business of the Company.

MATERIAL CHANGES EFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments occurred

affecting the financial position of the Company, between the end of financial year and the date of this report.

There is no order passed by any regulatory or court or tribunal against the Company, impacting the going concern concept or future of the Company.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 125 of the Companies Act, 2013, the amount of fixed deposit remaining unpaid /unclaimed for a

period of seven years from the year 2009-10 has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

DEPOSITS

The Company has not accepted/renewed fixed deposits from the public during the year.

HOLDING, SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES

The Company has no Holding, Subsidiary, Associate or Joint Venture Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**a) Director Liable to Retire by Rotation**

Mr. Varun Seth (DIN:00017552), retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

b) Number of meetings of the Board of Directors

The Board of Directors of the Company, met Four (4) times during the financial year 2016-17.

30th May 2016	Board Meetings	04th November 2016
11th August 2016		09th February 2017

Further, a separate Meeting of the Independent Directors of the Company was also held on May 30, 2016, as prescribed under Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.



There was no change under the composition of the Board of Directors of the Company during the financial year 2016-17.

c) Changes in Key Managerial Personnel

During the year, Ms. Shilpa Verma has resigned from the post of Company Secretary. Ms. Priyanka (Membership No. 36870) was appointed as Company Secretary and Compliance Officer of the Company w.e.f February 09, 2017.

d) Declaration by Independent Directors

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

e) Board Evaluation

A formal evaluation of the Board, its committees and of Individual Director for the financial year 2016-17 was evaluated on the basis of criteria as approved by the Board. A questionnaire is prepared and is being circulated amongst the Directors for their comments against objectives set by the Board, their contribution towards the development of strategies, their attendance and participation in the Board & Committee Meetings etc.

f) Nomination and Remuneration Policy

Your Company has adopted a Nomination and Remuneration Policy as required by Section 178 of the Companies Act, 2013, which provides for the appointment/selection of Directors, Key Managerial Personnel & other employees and their remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. Your Company affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel & other Employees. The details of such policy can be viewed on the Company's website www.pearlpet.net.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans or extended guarantees or provided any security during the financial year 2016-17, pursuant to the provision of section 186 of the Companies Act, 2013. Details of Investments made during the year are given in the notes to financial statements.

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continuing basis. There are no risks which in the opinion of the Board threaten the existence of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT), 2013

The Company has put in place a policy on prevention of Sexual Harassment in line with the requirement of Sexual

Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the financial year 2016-17.

PARTICULARS OF EMPLOYEES AND REMUNERATION

During the financial year, none of the employee drew remuneration beyond the limits specified under Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The particulars required pursuant to Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, shall be made available to any shareholder on a specific request made by him/her in writing before the date of ensuing Annual General Meeting and such particulars shall be made available by the Company within three days from the date of receipt of such request from the shareholders.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013, the extract of Annual Return in Form No. MGT-9 is provided in **Annexure-'I'** to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo as required under section 134 (3)(m) of the Companies Act, 2013, read with the rules there under, are provided in **Annexure-'II'** to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company, to the best of their knowledge and belief confirm that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- II. the directors have 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 March 31, 2017 and of the profit and loss of the Company for that period;
- III. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the directors have prepared the annual accounts on a going concern basis;
- V. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and



VI. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

AUDITORS

a) Statutory Auditors

Sehgal Mehta & Co. (Firm Registration No. 003330N) Chartered Accountants, who were appointed as Statutory Auditors for a period of 3 years, till the conclusion of 46th Annual General Meeting to be held in the year 2017, completed their first tenure of five (5) years.

In view of the same, the Board of Directors at its meeting held on May 30, 2017, pursuant to the recommendation of Audit Committee and subject to the approval of the Members of the Company, has re-appointed Sehgal Mehta & Co., Chartered Accountants as Statutory Auditors of the Company for a further period of five (5) years i.e. from the conclusion of 46th Annual General Meeting till the conclusion of 51st Annual General Meeting.

The Company has received written consent and certificate of eligibility in accordance with Section 139, 141 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, from Sehgal Mehta & Co., (Firm Registration No. 003330N) Chartered Accountants.

b) Secretarial Auditor

Your Company has appointed Ms. Rashmi Sahni, (Certificate of Practice No. 10493) Practicing Company Secretary, as the Secretarial Auditor to conduct an audit of the Secretarial records for the financial year 2016-17.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made:

I. Statutory Auditor's Report

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, in their report.

II. Secretarial Auditor's Report

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks or disclaimer. A Report of Secretarial Audit is provided in **Annexure-'III'** to this report.

c) Internal Auditor

Nikhil Goel & Associates (Firm Registration No.

020934C) Chartered Accountants, has been appointed as an Internal Auditor of the Company to conduct an internal audit of the functions and activities of the Company for financial year 2016-17, in terms of Section 138 of the Companies Act, 2013.

d) Cost Auditor

The provisions of Cost Audit as prescribed under section 148 of the Companies Act, 2013 are not applicable to the Company.

CORPORATE GOVERNANCE REPORT

A Separate report on Corporate Governance alongwith certificate from Statutory Auditor confirming compliance with the requirement of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015, forms an integral part of the Annual Report.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on team work, skill development and development of leadership and functional capabilities of the employees. There are 524 employees recorded on the roll of Company.

INDUSTRIAL RELATIONS

The Board of Directors places on record the active, dedicated and valuable contribution made by employees of the Company at all levels in achieving the results in the operations of the Company. The Industrial relations remained cordial at all units of the Company.

CAUTIONARY STATEMENT

Statements in this report, particularly those which relate to Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

ACKNOWLEDGEMENT

The Board of Directors thanks the investors for reposing confidence in the Company. The Directors are also grateful to the Financial Institution & Banks, Stock Exchanges, Customers, Suppliers and Business associated with the Company. The Directors also thank the employees for their commitment and contribution towards the mission and vision of the Company.

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

Chand Seth

Place: New Delhi

Chairman & Managing Director

Date: August 09, 2017

DIN: 00002944

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Development**

The plastic processing industry has changed lives in many aspects. It has the potential to continue to change the way we live everyday life and our daily tasks. It's impact on the economy is signification, both as a generator of wealth and a job creator. Plastics processing industry going ahead will use to invest in latest equipment to reduce costs and improve performance. It's installed capacities need to achieve economies of scale so that it can reach its full potential.

The plastic processing industry is expected to witness growth under Government's current campaign on 'Make in India' that aims to turn the country into a global manufacturing hub. Plastics are bound to find tremendous use in new verticals, say, the infrastructure space. With adequate support from Government and growth in end user demand, various studies shows that the plastic processing industry in India is expected to grow at a CAGR of 10.5% from FY15 to FY20.

Opportunities and Threats

Implementation of GST will create a common Indian market, improve tax compliance, governance, and boost investment & growth. It is expected to benefit all sectors due to increased ease of doing business.

The plastic industry caters to the almost every aspect of daily life such as clothing, housing, construction, furniture, automobiles, household items, agriculture, horticulture, irrigation, packaging, medical appliances, electronics and electrical items. Increased penetration in all areas is helping the industry grow.

The plastic processing industry faces many challenges in terms of environmental myths, lack of advanced technology, limited infrastructure, and high volatility in feedstock prices. To overcome these challenges, significant efforts will have to be made by all the stakeholders to realize the real potential of this industry.

The Company's products are fully recyclable and marked with a recycling code to indicate the type of material used. The Company use PET/PP which is remarkably energy-efficient packaging material, with good strength and versatility.

Business Overview and Outlook

Your Company is an ISO: 9001 certified Company integrates the finest quality of certified raw materials using advanced injection stretch blow molding technology and stringent quality control procedures at all its units. The Company ensures getting new models and designs of its product with the best and unbeatable quality at reasonable prices to cater to the requirements and preferences of its customers.

The Company continued its focus on marketing activities and strengthening its agent network by participating in many new markets. Your company has introspected with its customer base and greatly recognizes the need for innovations and new product developments to drive growth and better margins.

Segment-Wise Performance

Your Company is operating only in one segment.

Risks and Concerns

Technology obsolescence, market conditions, growing competition including imports and unorganized sector are major risks perceived by the Company that may have adverse effect on Company's business and its margin in future. The Company continuously focuses on safety of environment and is increasing its awareness amongst the stakeholders. Your Company believes that our products should be safe for everyone to use. Our products are made of virgin plastics which are universally approved by USFDA, EU Directive 2002/72/EC, BIS IS:12252 -1987 and other regulating bodies for Food, Beverage and Water storage.

Internal Control Systems and Their Adequacy

Your Company has put in place an independent internal audit system conducted by a professional firm that conducts regular audits to ensure adequacy of internal financial control system, adherence to Company policies and compliance. The Company has in place effective internal control system to ensure accurate, reliable and timely compilation of financial statements while safeguarding the assets and interests of the Company and ensuring compliance with the policies and regulations.

Form No. MGT-9

Annexure-'I'

Extract of Annual Return for the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules,2014]

I. REGISTRATION AND OTHER DETAILS:

Sl No.	Particulars	Details
1	CIN	L25209DL1971PLC005535
2	Registration Date	12.02.1971
3	Name of the Company	Pearl Polymers Limited
4	Category/Sub-category of the Company	Public Listed Company having Share Capital
5	Address of the Registered office & contact details	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110 020 Phone: 011-47385300
6	Whether Listed Company	Yes
7	Name, Address and contact details of the Registrar & Transfer Agent	MAS SERVICES LIMITED T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi -110020 Ph: 011-26387281/82/83 Fax: 011-26387384 Email: mas_serv@yahoo.com



II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company: Not Applicable

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the year [As on April 01, 2016]				No. of Shares held at the End of the year [As on March 31, 2017]			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
(1) Indian								
a) Individual/ HUF	3452637	0	3452637	20.51	3452637	0	3452637	20.51
b) Central Govt	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0
d) Bodies Corp.	5614203	0	5614203	33.35	5614203	0	5614203	33.35
e) Banks / FI	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0
Sub Total (A)(1):	9066840	0	9066840	53.86	9066840	0	9066840	53.86
(2) Foreign								
a) NRIs- Individuals	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	9066840	0	9066840	53.86	9066840	0	9066840	53.86
B. Public Shareholding								
1) Institutions								
a) Mutual Funds	0	5410	5410	0.03	0	5410	5410	0.03
b) Banks / FI	300	160	460	0.01	300	160	460	0.01
c) Central Govt	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0
f) Insurance Companies	640582	0	640582	3.81	640582	0	640582	3.81
g) FIs	0	8700	8700	0.05	0	8700	8700	0.05
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0


PEARL Polymers Limited

Sub-total (B)(1):-	640882	14270	655152	3.89	640882	14270	655152	3.89
2) Non-Institutions								
a) Bodies Corporate								
i) Indian	2020254	22551	2042805	12.13	722953	22551	745504	4.42
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individual shareholders holding nominal share capital up to Rs. 1 lakhs.	1292140	822356	2114496	12.56	1848075	812015	2660090	15.80
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs.	2582706	94550	2677256	15.90	3248543	94550	3343093	19.86
c) Others (specify)	0	0	0	0	0	0	0	0
Non Resident Indians/ Overseas Corporate Bodies	20596	203600	224196	1.34	31672	203600	235272	1.40
Foreign Nationals	0	0	0	0	0	0	0	0
Clearing Members	54187	0	54187	0.32	128981	0	128981	0.77
Trusts	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	5969883	1143057	7112940	42.25	5980224	1132716	7112940	42.25
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6610765	1157327	7768092	46.14	6621106	1146986	7768092	46.14
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	15677605	1157327	16834932	100.00	15687946	1146986	16834932	100.00

b) Shareholding of Promoter (including Promoter Group)

Sl No.	Shareholder's Name	No. of Shares held						% change in shareholding during the year
		Beginning of the year [April 01, 2016]			End of the year [March 31, 2017]			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ms. Suneeta Seth	774939	4.60	0	774939	4.60	0	0
2	Mr. Chand Seth	890475	5.29	0	890475	5.29	0	0
3	Ms. Nidhi Chowdhary	90000	0.54	0	90000	0.54	0	0
4	Mr. Varun Seth	597778	3.55	0	597778	3.55	0	0
5	Ms. Rachna Seth	27700	0.16	0	27700	0.16	0	0



6	Ms. Surina Seth	10105	0.06	0	10105	0.06	0	0
7	Ms. Tavanya Seth	10105	0.06	0	10105	0.06	0	0
8	Mr. Amit Seth	562000	3.34	0	562000	3.34	0	0
9	Mr. Udit Seth	489535	2.91	0	489535	2.91	0	0
10	Pacific Pearl Finance & Leasing Ltd	1116001	6.63	0	1116001	6.63	0	0
11	Pearl Telephonics Ltd	2280347	13.55	0	2280347	13.55	0	0
12	Theta Investments Pvt Ltd	2063855	12.26	0	2063855	12.26	0	0
13	Pearl Flats (India) Ltd	154000	0.91	0	154000	0.91	0	0

c) Change In Promoter's Shareholding

Particulars of Shareholding	Shareholding at the beginning of the Year [April 01, 2016]		Cumulative Shareholding during the year [April 01, 2016 to March 31, 2017]		% Change in Shareholding during the year
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
At the beginning of the year	9066840	53.86	9066840	53.86	Nil
Date wise Increase/ Decrease in promoters' shareholding during the year specifying the reason	Nil				
At the end of year	9066840	53.86	9066840	53.86	Nil

d) Shareholding Pattern of top 10 Shareholders (Other than Directors, Promoters and Holders of DRs & ADRs)

SI No	Shareholder's Name	Shareholding at the Beginning of the Year [April 01, 2016]		Cumulative Shareholding during the year [April 01, 2016 to March 31, 2017]		% Change in Shareholding during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Mr. Chainroop Dugar	493547	2.93	953682	5.66	2.73
2	Life Insurance Corporation of India	625432	3.72	625432	3.72	Nil
3	Mr. Bhanukumar Nahata	40001	0.23	392613	2.33	2.10
4	Mr. Deepak Seth	324000	1.92	324000	1.92	Nil
5	Ms. Namrata Khandelwal	300000	1.78	300000	1.78	Nil
6	Ms. Reena Khandelwal	344000	2.04	300000	1.78	(0.26)
7	Mr. Dheeraj Kumar Lohia	0	0	195075	1.16	1.16
8	Indovision Securities Limited	36762	0.21	122273	0.73	0.52
9	Sanchay Fincom Ltd	73856	0.44	96175	0.57	0.13
10	Mr. Subramanian P	0	0	76280	0.45	0.45

e) Shareholding of Directors and Key Managerial Personnel

SI No.	Name of the Director	Shareholding at the beginning of the Year [April 01, 2016]		Cumulative Shareholding during the year [April 01, 2016 to March 31, 2017]	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors and Key Managerial Personnel					
1	Mr. Chand Seth	890475	5.29	890475	5.29
2	Mr. Varun Seth	597778	3.55	597778	3.55

Note: apart from above, none of the directors and/or KMP holds any share in the Company.



V. INDEBTEDNESS:

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	©Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2699.26	210.00	3.36	2912.62
ii) Interest due but not paid	-	-	0.41	0.41
iii) Interest accrued but not due	10.59	0.81	-	11.40
Total (i+ii+iii)	2709.85	210.81	3.77	2924.43
Change in Indebtedness during the financial year				
Addition	395.40	-	-	395.40
-Reduction	318.40	150.81	0.71	469.92
Net Change	77.00	(150.81)	(0.71)	(74.53)
Indebtedness at the end of the financial year				
i) Principal Amount	2778.16	60.00	2.72	2840.88
ii) Interest due but not paid	-	-	0.34	0.34
iii) Interest accrued but not due	8.69	-	-	8.69
Total (i+ii+iii)	2786.85	60.00	3.06	2849.91

Note: © Unclaimed Deposits are outstanding.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a) Remuneration to Managing Director, Whole time Directors and/or Manager

(Rs. in Lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WT/ Manager		
		Mr. Chand Seth	Mr. Varun Seth	Mr. Ramesh Mehra
		Chairman & Managing Director	Whole Time Director	Whole Time Director
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32.40	33.00	13.80
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	21.53	6.00	0
c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	*Total (A)	53.93	39.00	13.80
	Ceiling as per the Companies Act, 2013	54.00	42.00	18.00



* The above remuneration does not include contribution made to provident and superannuation fund (as may be applicable) as per Income Tax Rules.

b) Remuneration to Non Executive and Independent Directors**(Rs. in Lakhs)**

SI No.	Particulars of Remuneration	Name of the Independent Director			Total
		Ms. Meera Johri	Mr. Ravi Kumar Mehra	Mr. Ashish Harish Bhuva	
		Independent Director	Independent Director	Independent Director	
a)	Fees for attending Board Committee Meetings	0.20	0.20	0.05	0.45
b)	Commission	0	0	0	0
c)	Others, Please specify	0	0	0	0

c) Remuneration To Key Managerial Personnel other than MD/Manager/WTD**(Rs. in Lakhs)**

SI No.	Particulars of Remuneration	Key Managerial Personnel	
		#Ms. Priyanka	Mr. Rajesh Mehra
		Company Secretary	(Chief Financial Officer)
1	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.22	15.49
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	1.45
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others, please specify	-	-
	Total	4.22	16.94

Aforesaid remuneration is the consolidated amount of remuneration paid to Company Secretary (ies), in proportion to their tenure.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :NIL



A. CONSERVATION OF ENERGY

I. the steps taken or impact on conservation of energy;

In our endeavor to make our factories and offices more energy efficient, we are continuously putting our best efforts in the direction of energy saving. During the year following steps have been taken to improve our efficiencies and margins:

- As a policy decision all the lightening fixtures and CFLs, Tube lights, Metal halides and Sodium Vapor lamps have been replaced by state of the art LED lights all across the units and Offices.
- For making our packaging operations reliable and consistent, concept of bagging machine has been successfully installed at Baddi, and Jigani unit after its success at Mahad, we are planning to put similar equipments to all our high productivity machines.
- We have put up a new unit at Guwahati, the unit is having provision of maximum day light usage along with wind power turbo ventilator for hot air extraction.
- For monitoring running and power consumption status of all processing and utility machines, we are planning to install, tracking and monitoring software at all locations. This software will help in benchmarking energy efficiency at all locations.

II. the steps taken by the Company for utilizing alternate sources of energy;

We are in advanced stage for buying wind and solar power for our Jigani unit through some reputed agencies.

III. the capital investment on energy conservation equipments;

We have invested significant amount during the year on replacement of all lighting fixtures with state of the art LED lightings. This has resulted in to significant savings in lighting bill.

B. TECHNOLOGY ABSORPTION

I. the efforts made towards technology absorption;

- We are working on concepts / products, which will promote the usage of plastic packing in various fields for which presently Glass / Metal are being used. Recently we have launched a series of premium range of wide neck trade bottles, these products are receiving very good response from industrial and domestic markets.
- We are actively working on concept of mould labling for stickering on PET bottles and jars for various customers. Once implemented it will set new bench mark for accuracy and reliability of label placement.

II. the benefits derived like product improvement, cost reduction, product development or import substitution;

We successfully managed to keep impact of power tariff and manpower cost to a minimum by adopting above steps. Customer's satisfaction levels have improved significantly by adopting above said measures.

III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year);

The Company has not imported any technology during the last three years.

IV. The expenditure incurred on Research and Development;

To reduce our rejection levels and enhance customer satisfaction level, we have invested in new technology machinery/moulds. We have started using automatic machine data collection (MES) by using high tech software at Baddi. We are planning to use similar technology at other locations also.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has recorded export earnings of Rs. 5.42 Lakhs, import payments of Rs. 1337.22 Lakhs and expenses in foreign exchange of Rs. 2.31 Lakhs, details of which have been incorporated in note no. 34 to 36 to the Notes to financial statements.



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Pearl Polymers Limited,
A-97/2, Okhla Industrial Area,
Phase-II, New Delhi-110020

I was appointed by the Board of Directors of M/s. Pearl Polymers Limited (hereinafter called the Company) in the Board Meeting held on 11.08.2016 to conduct Secretarial Audit on Compulsory basis for the financial year of the Company ended on 31st March, 2017.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of Secretarial records and for devising proper system to ensure compliance with the provisions of applicable laws and regulations.

Auditor's Responsibility

My responsibility is to express an opinion on the Secretarial records, Standards, Procedures followed by the Company with respect to Secretarial Compliances.

I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.

Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to Management Representation Letter, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017, generally complied with the statutory provisions listed hereunder and also that the Company has in proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(not applicable since there is no action/ event in pursuance of said regulation)*
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(not applicable since there is no action/ event in pursuance of said regulation)*
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(not applicable since there is no action/ event in pursuance of said regulation)*



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(not applicable since there is no action/ event in pursuance of said regulation)*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(not applicable)*
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable since there is no action/ event in pursuance of said regulation)*
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(not applicable since there is no action/ event in pursuance of said regulation) and*
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

The Company has identified and confirmed the following laws specifically applicable to the Company and/or followed by the Company:

- (i) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (ii) The Employment Exchange (CNV) Act, 1959 & Rules
- (iii) The Payment of Bonus Act, 1965
- (iv) The Payment of Gratuity Act, 1972
- (v) The Employees State Insurance Act, 1948,
- (vi) Contract Labour (R&A) Act, 1970
- (vii) Packaged Commodity Rules, 1977
- (viii) Air (Prevention and control of pollution) Act, 1981
- (ix) Water (Prevention and control of pollution) Act, 1974
- (x) Environment protection Act, 1986
- (xi) Factories Act, 1948
- (xii) Minimum Wages Act, 1948
- (xiii) The Legal Metrology Act, 2009
- (xiv) Trade Mark Act, 1999
- (xv) Design Act, 2000

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- (ii) Listing Agreements entered into by the Company with National Stock Exchange of India Limited (Scrip Code: PEARLPOLY) and the Bombay Stock Exchange (Scrip Code: 523260).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned herein.

I further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the financial year under review, there are no specific events having any major bearing on the Company's affairs in pursuance of the law, regulations, guidelines, standards, etc, referred to above.

Place: New Delhi

Date: August 09, 2017

For **Rashmi Sahni**
Practicing Company Secretary
ACS/FCS No: 25681
Certificate Practice No: 10493



To,

The Members

Pearl Polymers Limited,
A-97/2, Okhla Industrial Area,
Phase-II, New Delhi-110020

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, and regulations, standards is the applicability of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: August 09, 2017

For **Rashmi Sahni**

Practicing Company Secretary

ACS/FCS No: 25681

Certificate Practice No: 10493

**CORPORATE GOVERNANCE REPORT****CORPORATE GOVERNANCE PHILOSOPHY**

The Board is committed to maintaining a high standard of corporate governance practices and devotes considerable effort to identify and formalize best practices. We believe that sound and effective corporate practices are fundamental to the smooth and transparent operation of a company and its ability to attract investment, protect the rights of the stakeholders and enhance shareholder value.

Comprehensive guidelines, policies and procedures have been formulated by the Board of Directors. The Company has complied with all the applicable provisions in the Corporate Governance Code set out in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 hereinafter, in this report referred to as SEBI (LODR) Regulations, 2015.

THE BOARD OF DIRECTORS

The primary role of the Board is to protect and enhance long-term shareholders' value. It sets the overall strategy for the Company and supervises executive management. It also ensures that good corporate governance policies and practices are implemented in the Company. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

Composition

The Board currently comprises six Directors, of whom, three are Executive and other three are Non-Executive Independent Director (including one Woman Director). The Board has an executive Chairperson.

According to Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 as well as Companies Act, 2013, where the Chairperson is executive or a promoter, at least one half of the Board of the Company should consist of Independent Directors and this provision is met at Pearl Polymers Limited.

As per Regulation 26 of SEBI (LODR) Regulations, 2015 none of the Directors on the Company's Board is a member of more than ten committees or Chairperson of more than five committees across all listed entities in which he/ she is a Director. All the directors have made necessary disclosure regarding Committees positions held by them in other listed entities.

The composition of the Board alongwith their Chairmanship and Membership on the Board Committees is tabled below:

Name/ Category of the Director	Number of Directorship ¹	Number of Committee positions held ²	
		Membership	Chairmanship
Executive Director			
Mr. Chand Seth (Chairman & Managing Director)	5	1	-
Mr. Varun Seth (Whole Time Director)	3	1	-
Mr. Ramesh Mehra (Whole Time Director)	4	4	-
Non-Executive Independent Director			
Ms. Meera Johri (Independent Director)	1	1	1
Mr. Ravi Kumar Mehra (Independent Director)	1	1	1
Mr. Ashish Harish Bhuva (Independent Director)	2	-	-

1. Directorship held by Directors as mentioned above, do not include directorship In Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
2. For the purpose of reckoning the limit, membership of Audit Committee and Stakeholders' Relationship Committee has been considered.
3. None of the Director(s) is inter se related to any other Director on the Board, except Mr. Chand Seth and Mr. Varun Seth, who are related to each other.

BOARD MEETINGS

The Board meets regularly at least four times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. Four Board meetings were held during the financial year 2016-17. Draft agenda for Board meetings were prepared by the Company Secretary and circulated to all Directors for comments before each meeting. The agenda, together with Board papers, were sent in full to the Directors not less than seven days before the intended date of the Board meeting.

The gap between two Board meetings did not exceed more than 120 days. The leave of absence ("LOA") was granted to the



Directors as and when requested by them. The Board was made available with necessary information as required to be placed before the Board as per SEBI (LODR) Regulations, 2015 for their discussion and consideration.

Directors of the Company play an active role in participating the Company's meetings through contribution of their professional opinions and active participation in discussion. The details of Board Meetings along with attendance record of each of the Directors for the Board meetings and the last Annual General Meeting ("AGM") held during financial year is listed as follows:

Name of the Director	Attendance at the Board Meetings held on				Attendance at
	30.05.2016	11.08.2016	04.11.2016	09.02.2017	45 th AGM
Mr. Chand Seth	Yes	Yes	Yes	Yes	Yes
Mr. Varun Seth	Yes	LOA	Yes	LOA	LOA
Mr. Ramesh Mehra	Yes	LOA	LOA	LOA	LOA
Mr. Ashish Harish Bhuva	Yes	LOA	LOA	LOA	LOA
Ms. Meera Johri	LOA	Yes	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Yes	Yes	Yes	Yes	Yes

INDEPENDENT DIRECTORS (ID)

Separate Meetings

The Independent Directors met on May 30, 2016 without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors *inter alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairperson of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Tenure of Independent Directors

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarised with the Company, their roles, rights and responsibilities in the Company, the Code of Conduct to be adhered to, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team, members, etc.

The details of such familiarisation programmes can be viewed on the Company's website www.pearlpoly.net.

CODE OF CONDUCT

The Company's Code of Conduct provides guidelines to be followed by all members of the Board of Directors and Senior Management Personnel. The Company has received confirmations from all members of the Board of Directors as well as Senior Management Personnel regarding compliance of the Code during the year. A declaration signed by Chairperson and Managing Director to this effect is annexed to this report.

BOARD COMMITTEES

The Board delegates its powers and authorities from time to time to committees in order to ensure that operational efficiency and specific issues are being handled with relevant expertise. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The Following four board committees have been established and each of them has its specific duties and authorities set out in its own terms of reference.

A) Mandatory Committees	B) Non Mandatory Committees
i) Audit Committee ii) Stakeholders' Relationship Committee iii) Nomination and Remuneration Committee	i) Finance Committee

A) MANDATORY COMMITTEE

(i) Audit Committee

The role and terms of reference of the Audit Committee are in conformity with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures.

Composition

The composition of the Audit Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR)

Regulations, 2015. The Committee comprised of Three (3) Members namely, Mr. Ravi Kumar Mehra as Chairperson and Ms. Meera Johri, Mr. Varun Seth as Members.

The Company Secretary acts as a Secretary to the Committee. The members of Audit Committee comprises of majority of Independent Directors. All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

Meetings

The Audit Committee meets regularly with at least four meetings annually. The details of attendance records of the members of the Audit Committee are as follows:

Name of the Director	Category of Director	Attendance at the Meetings held on			
		28.05.2016	11.08.2016	04.11.2016	09.02.2017
Mr. Ravi Kumar Mehra	Independent Director	Yes	Yes	Yes	Yes
Ms. Meera Johri	Independent Director	Yes	Yes	Yes	Yes
Mr. Varun Seth	Executive Director	LOA	LOA	Yes	LOA

(ii) Stakeholders' Relationship Committee

The role and terms of reference of the Stakeholders' Relationship Committee are in conformity with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee looks into the process of share transfers, grievances of security holders, if any, and also reviews the working of Company's Registrar & Share Transfer Agent.

Composition

The composition of the Stakeholders' Relationship Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee comprised of Four (4) Members namely Ms. Meera Johri as Chairperson, and Mr. Ravi Kumar Mehra, Mr. Chand Seth and Mr. Ramesh Mehra as Members.

Meetings

The details of attendance record of the members of the Stakeholders' Relationship Committee are as follows:

Name of the Director	Category of Director	Attendance at the Meetings held on			
		28.05.2016	11.08.2016	04.11.2016	09.02.2017
Ms. Meera Johri	Independent Director	Yes	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Independent Director	Yes	Yes	Yes	Yes
Mr. Chand Seth	Executive Director	LOA	Yes	Yes	Yes
Mr. Ramesh Mehra	Executive Director	Yes	LOA	LOA	LOA

Details of Complaints received and resolved during the financial year 2016-17:

SI No.	Nature of Complaints	Complaints Received	Complaints Resolved	Complaints Pending
1	Request for Change of Address	04	04	NIL
2	Request for Duplicate shares/ Splitting/ Consolidation of share certificates	NIL	NIL	NIL
3	Request for Dematerialization/ Rematerialisation of shares	73	73	NIL
4	Request for Share Transfer/Share Transmission	13	13	NIL
5	Complaints from Stock Exchange/ SEBI/ Depositories	1	1	NIL
6	Miscellaneous request including redemption of debentures, unclaimed dividend, Annual Reports etc.	21	21	NIL

Further, all the request for transfer of shares has also been processed in time and no transfer were pending for registration for more than 15 days as on March 31, 2017. Ms. Priyanka, Company Secretary has been designated as the "Compliance Officer" of the company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015. No complaints/ grievances are pending for the financial year ended March 31, 2017.

(iii) Nomination and Remuneration Committee

The role and terms of reference of the Nomination and Remuneration Committee are in conformity with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Composition

The composition of the Nomination and Remuneration Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Committee comprised of Three (3) Members namely Mr. Ravi Kumar Mehra as Chairperson and Ms. Meera Johri, Mr. Ashish Harish Bhuva as Members.

**Meetings**

The details of attendance record of the members of the Nomination and Remuneration Committee are as follows:

SI No.	Name of the Director	Category of Director	Attendance at the Meeting held on 09.02.2017
1	Mr. Ravi Kumar Mehra	Independent Director	Yes
2	Ms. Meera Johri	Independent Director	Yes
3	Mr. Ashish Harish Bhuvra	Independent Director	LOA

REMUNERATION OF DIRECTORS

Each Director will be entitled to Director's Remuneration/fee which is determined by the Board with authorization granted by the shareholders at the Company's Annual General Meetings. The remuneration of Executive Directors and senior management of the Company is determined with reference to the Company's performance, profitability and policy, as well as remuneration benchmarks in the industry and the prevailing market conditions.

Remuneration paid to Executive Directors for the financial year 2016-17 is as follows:

(Rs. in Lakhs)

SI No.	Name of the Director	Salary Allowances	and Perquisite	Incentive/ Stock option etc.	Total
1	Mr. Chand Seth	32.40	21.53	-	53.93
2	Mr. Varun Seth	33.00	6.00	-	39.00
3	Mr. Ramesh Mehra	13.80	-	-	13.80

Sitting fee paid to Non-Executive & Independent Directors for the financial year 2016-17 is as follows:

(Rs. in Lakhs)

SI No.	Name of the Director	Sitting Fee	Total	Shares held
1	Mr. Ashish Harish Bhuvra	0.05	0.05	0
2	Ms. Meera Johri	0.20	0.20	0
3	Mr. Ravi Kumar Mehra	0.20	0.20	0

The sitting fee paid to Non-executive and Independent Directors are within the limits as prescribed under the Companies Act, 2013. No remuneration other than the sitting fees for attending Board meetings was paid to the Non-Executive and Independent Directors.

Performance Evaluation Criteria

The Nomination and Remuneration Committee has adopted a Policy for evaluation of the Board, its Committees and Directors including Independent Directors and the same has been approved by the Board of Directors of the Company. The process for Board Evaluation is given in the Board's Report.

B) NON MANDATORY COMMITTEES

In addition to the above referred Committees, the Board of Directors has constituted the finance committees of Directors.

Finance Committee

The Finance Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to conduct the affairs of the Company smoothly.

The Composition and Terms of Reference of Finance Committee are as follows:

Composition	Mr. Chand Seth as Chairperson and Mr. Varun Seth, Mr. Ramesh Mehra as member.
Terms of Reference	a) To review / make banking arrangements and cash management. b) To approve short term and long term investments. c) To arrange on lease or hire purchase any asset for the purpose of the Company. d) To approve transfers/ transmission of shares. e) Allotment of shares and other financial transactions, within the limits specified by the board and to deal with any other matter as may be delegated to the committee by the Board from time to time.

During the financial year 2016-17, the Committee meets fortnightly to approve share transfers/ transmission and consider such other matters as may be delegated to the committee by the Board from time to time.

MANAGEMENT DISCUSSIONS AND ANALYSIS

A detailed report on Management's Discussion and Analysis forms part of this Annual Report.

GENERAL BODY MEETINGS

Annual General Meeting

The details of last three AGM held and Special Resolution passed therein are as mentioned below:

AGM No.	Financial Year	Address	Date and Time	Special Resolution Passed
43 rd	2013-14	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020	29.09.2014 11.30 A.M.	I. Re-appointment of Mr. Chand Seth as the Chairman & Managing Director and Remuneration payable to him. II. Alteration in Articles of Association of the Company. III. Empowering Board of Directors to borrow u/s 180(1)(c) of the Companies Act 2013
44 th	2014-15		30.09.2015 11.30 A.M.	Nil
45 th	2015-16		30.09.2016 11.30 A.M.	Nil

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year 2016-17.

E-VOTING FACILITY

The Company extends the facility for Remote E-voting to the shareholders to exercise their voting rights electronically on all resolutions proposed at ensuing AGM. Detailed procedure for Remote E-voting is provided in the Attendance Slip, annexed to this Annual Report.

DETAILS OF POSTAL BALLOT

I. Special Resolutions passed through postal ballot

During the year, no Special Resolution was passed through postal ballot.

II. Special Resolutions proposed to be conducted through postal ballot

No Special Resolution is proposed to be passed through postal ballot.

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the year were on an arm's length price basis and in the ordinary course of business, these have been approved by the Audit Committee. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company www.pearlpet.net. The details of the related party transactions, as per requirement of Accounting Standard, are disclosed in notes to the financial statements of the Company.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. The significant accounting policies are set out in the notes to the financial statements.

COMPLIANCE WITH REGULATIONS

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements, nor have there been any strictures imposed by any stock exchange or SEBI, on any matters relating to the capital market over the last three years.

The Company has complied with mandatory requirements of SEBI (LODR) Regulations, 2015 and adopted some of the non-mandatory requirements.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has devised a Vigil Mechanism through Whistle Blower Policy for employees and other stakeholders to report their genuine concerns or grievances to the Chairperson of the Audit Committee for any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. No person has been denied access to the Audit Committee in this regard. A detail of Policy is available on Company's website www.pearlpet.net.

CEO AND CFO CERTIFICATION

As required by Regulation 17(8) of SEBI (LODR) Regulations, 2015, Mr. Chand Seth, Chairman & Managing Director



and Mr. Rajesh Mehra, Chief Financial Officer have given appropriate certifications to the Board of Directors certifying that the financial statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to this report.

MEANS OF COMMUNICATION**Financial Results**

The Quarterly, Half-Yearly and Annual Financial Results are regularly submitted to the Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015 and are generally published in the below mentioned newspaper:

- I. Financial Express (English Language)
- II. Pioneer (English Language)
- III. Hari Bhoomi (Hindi Language)
- IV. Jansatta (Hindi Language)
- V. Awam- E- Hind (Hindi Language)

The results are also posted on the Company's website www.pearlpet.net after its submission to the Stock Exchanges. These are available in a freely downloadable format. The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges is posted through the filing system of the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals.

GENERAL SHAREHOLDERS' INFORMATION**46th Annual General Meeting**

Date and Time	September 29, 2017 at 11:30 A.M.
Venue	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020
Dividend payment date	Not Applicable
Book Closure	September 23, 2017 to September 29, 2017 (Both days inclusive)

Financial Calendar for the year 2017-2018 (Tentative)

Financial Year	2017-18	
Results for the Quarter ending	Audited/Un-audited	Tentative date of reporting
June 30, 2017	Un-audited	On or before September 14, 2017
September 30, 2017	Un-audited	On or before December 14, 2017
December 31, 2017	Un-audited	On or before February 14, 2018
March 31, 2018	Audited	On or before May 30, 2018

LISTING OF SHARES

The Equity Shares of the Company are at present listed on the following Stock Exchanges :

Name of the Stock Exchange	Stock Code/ Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, 25 th Floor, Mumbai - 400 001	523260
National Stock Exchange of India Ltd. Exchange Plaza, 5 th floor, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	PEARLPOLY

The annual Listing Fee/ Custodial Fees for the financial year 2016-17 have duly been paid to the Stock Exchanges/ Depositories.

STOCK MARKET DATA FOR THE FINANCIAL YEAR 2016-17**The monthly high- low of the Share price of the Company**



PEARL Polymers Limited

Monthly/Year	NSE				BSE			
	Share Price				Share Price			
	High	Low	Close	CNX Nifty Close	High	Low	Close	Sensex Close
April 2016	17.80	10.95	15.60	7849.80	17.50	12.15	16.00	25606.62
May 2016	18.00	13.20	17.30	8160.10	18.55	13.25	17.25	26667.96
June 2016	19.00	15.00	18.00	8287.75	19.40	13.30	18.50	26999.72
July 2016	26.15	16.20	23.80	8638.50	26.75	16.80	23.95	28051.86
August 2016	25.85	17.50	18.35	8786.20	25.80	17.10	18.00	28452.17
September 2016	22.00	17.20	18.75	8611.15	21.90	15.15	18.85	27865.96
October 2016	31.00	17.95	28.45	8625.70	31.00	18.00	28.40	27930.21
November 2016	28.05	17.00	23.45	8224.50	28.10	16.15	23.55	26652.81
December 2016	25.40	21.30	23.95	8185.80	24.60	22.10	24.00	26626.46
January 2017	27.90	21.75	26.55	8561.30	30.95	23.60	26.55	27655.96
February 2017	40.25	24.60	37.90	8879.60	40.10	24.50	38.10	28743.32
March 2017	39.35	30.90	35.00	9173.75	39.35	31.00	34.50	29620.50

Distribution of Shareholding as on March 31, 2017

Shareholding Nominal value (Rs.)	Shareholders			Share Amount		
	of	Number of Shareholder	% of total holding	Number of shares	of Amount (Rs.)	in % to total share capital
01 to 5000		9518	90.36	1305499	13054990	7.76
5001 to 10000		517	4.90	442597	4425970	2.63
10001 to 20000		222	2.11	349688	3496880	2.08
20001 to 30000		76	0.72	197594	1975940	1.17
30001 to 40000		32	0.30	115811	1158110	0.69
40001 to 50000		49	0.47	234627	2346270	1.39
50001 to 100000		46	0.44	356710	3567100	2.12
100001 and above		74	0.70	13832406	138324060	82.16
Total		10534	100.00	16834932	168349320	100.00

Categories of Shareholders as on March 31, 2017

SI No.	Category	No. of Shared Held	% of shareholding
1	Promoters	9066840	53.86
2	Mutual Fund and UTI	5410	0.03
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	641042	3.81
4	Bodies Corporate	745504	4.43
5	Indian Public	6003183	35.65
6	NRIs/OCBs/FIIs	243972	1.45
7	Clearing Member	128981	0.77
	TOTAL	16834932	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY

As on March 31, 2017, the status of equity shares in demat and physical form is provided hereunder:

Particulars	No. of Shares	% to share capital
Shares in Demat Form held with NSDL	13747181	81.66
Shares in Demat Form held with CDSL	1940765	11.53
Shares in Physical Form	1146986	6.81
Total	16834932	100.00
Depositories	National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
ISIN	INE844A01013	

SHARE TRANSFER SYSTEM

Shares sent for physical transfer are effected within 15 working days of lodgment, provided all the documents submitted are in order. Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations 2015, the Company obtains a half-yearly certificate on compliance with share transfer process from a Practicing Company Secretary and a copy of the same is filed with the Stock Exchanges.

**OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

The Company has not issued GDRs or ADRs or Warrants or any Convertible instruments.

ADDRESS FOR CORRESPONDENCE

Registrar and Share Transfer Agent	Company Secretary
Mas Services Limited T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No :011-26387281-83, Fax No : 011-26387384, E-mail: info@masserv.com Website: www.masserv.com	Ms. Priyanka A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No: 011-47385300 Fax No : 011-47480746 E-mail: pearlsecretarial@pearlpet.net Website: www.pearlpet.net

PLANT LOCATIONS

Sl No.	Location of Plant(s)	Address
1	Mahad	B-3/2, M.I.D.C. Industrial Area, Mahad, Distt.-Raigad, Maharashtra- 402309
2	Jigani	13-A, Part-I, Jigani Industrial Area, Distt. Anekal, Bangalore, Karnataka- 562106
3	Baddi	Khasra No 512-513, Village Sandholi, P.O. Baddi, Nalagarh, Himachal Pradesh- 173205
4	Pant Nagar	Plot No 45, Sector-3, Village Kalyanpur, Distt U.S.,Nagar, IIE, Rudrapur, Pant Nagar, Uttaranchal- 263153
5	Guwahati	Plot No 10, Jagati Logistic, Distt. Kamrup, Village Sindurhopa Guwahati, Assam – 781101

ADOPTION OF NON-MANDATORY REQUIREMENTS

- I. During the financial year 2016-17, there was no audit qualification in the Auditors' Report on the Company's financial statements.
- II. The Internal Auditor directly reporting to the members of the Audit Committee.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of
Pearl Polymers Limited,**

We have examined the compliance of conditions of Corporate Governance by Pearl Polymers Limited ('the Company'), for the financial year ended March 31, 2017, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2016 to March 31, 2017. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sehgal Mehta & Co.

Chartered Accountants

(Firm Registration No. 003330N)

Naresh Khanna

Partner

Membership No. 081482

Place: New Delhi

Date: August 09, 2017

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation (s) that they have complied with the code of conduct in respect of financial year ended on March 31, 2017.

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

Place: New Delhi

Date: May 30, 2017

Chand Seth

Chairman & Managing Director

CMD & CFO Certificate

To the Board of Directors

Pearl Polymers Limited

This is to certify that

1. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief we state that :
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - a. Significant changes in internal control over financial reporting during the year, if any ;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chand Seth

Chairman & Managing Director

Rajesh Mehra

Chief Financial Officer

Place: New Delhi

Date: May 30, 2017

**INDEPENDENT AUDITOR'S REPORT**

To
THE MEMBERS OF
M/s PEARL POLYMERS LTD.
A-97/2, Industrial Area, Phase-II,
Okhla, New Delhi-110020

Dear Sir,

We have audited the accompanying financial statements of **M/S PEARL POLYMERS LTD.** ("the Company"), which comprise the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss, Cash Flow Statement, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2017.
- ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss, and cash flow statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act which continue to be applicable in respect of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements—Refer Note 33 to the financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. The Company has provided requisite disclosures in its standalone financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 48 to the financial statements.

Place: New Delhi

Date: 30.05.2017

For Sehgal Mehta & Co.
Chartered Accountants
FRN-003330N

(CA Naresh Khanna)
Partner
M.No. 081482

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of the business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of the inventories having regard to the size of the operations of the company.
- iii) As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) The company has not granted any loan, made any investments, provided any guarantee and security within the meaning of section 185 and 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi) As explained to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities such as engaged in the production of goods or providing services by the Company.
- vii) (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues of sales tax, income tax, excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below:-

Name of the Statute	Nature of the Dues	Amount ('In'Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Producing and clearing dutiable and non-dutiable product under Notification No.4/97	360.59	March 1997 to June 1997	Supreme Court of India
The Central Excise Act, 1944	Interest on differential duty paid in respect of supplementary invoices	0.40	January 2001 to April 2003	CESTAT
The Central Excise Act, 1944	Disallowance of Cenvat Credit on the supply of pet chips	5.14	July 2004 to August 2004	Commissioner of Customs & Central Excise (Appeals), Mumbai III
The Central Excise Act, 1944	Service Tax demand on transportation - Abatement not allowed	0.04	January 2005 to March 2005	Assistant Commissioner of Central Excise CBD Belapur.

The Central Excise Act, 1944	Remission of Duty for damage of Finished Goods in Fire.	7.22	2014-2015	Assistant Commissioner of Central Excise Mumbai
The Central Excise Act, 1944	Interest on late payment of duty pointed out in EA 2000 Audit.	0.61	2014-2015	Assistant Commissioner of Central Excise Mumbai
The Sales Tax Act	Sales tax assessment VAT demand	102.67	2005-2006	Appeal Commissioner of Sales Tax
The Sales Tax Act	Sales tax assessment CST demand	123.84	2005-2006	Appeal Commissioner of Sales Tax
The Sales Tax Act	Sales tax assessment CST demand	11.85	2008-2009	Appeal Commissioner of Sales Tax
The Central Excise Act, 1944	Show cause notice for reversal of CENVAT CREDIT taken on Capital Goods	2.83	April 15 to May 16	Superintendent, Central Excise. Baddi
The Income Tax Act, 1961	Demand u/s 143(3)	17.49	AY 2010-11	Appeal pending before ITAT
The Income Tax Act, 1961	Demand u/s 143(3)	9.52	AY 2014-15	Appeal pending before CIT(A) Delhi

- viii) According to the information and explanations given to us, and the records of the companies examined by us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks.
- ix) The Company has not raised any money by way of initial public offer or further public offer Order is not applicable.
- x) Based upon our audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- ix) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date: 30.05.2017

For Sehgal Mehta & Co.
Chartered Accountants
FRN-003330N

(CA Naresh Khanna)
Partner
M.No. 081482



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **M/s Pearl Polymers Limited ("the Company")** as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

Date: 30.05.2017

For Sehgal Mehta & Co.

Chartered Accountants

FRN-003330N

(CA Naresh Khanna)

Partner

M.No. 081482

BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	Note No.	As at	As at
		March 31, 2017	March 31, 2016
		(Rs. in lakhs)	(Rs. in lakhs)
I EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	1,682.69	1,682.69
(b) Reserve and Surplus	3	3,638.48	3,602.12
		5,321.17	5,284.81
Non-current liabilities			
(a) Long-term borrowings	4	769.23	685.26
(b) Deferred tax liabilities (Net)	5	376.64	395.30
(c) Other Long-term liabilities	6	137.43	202.79
(d) Long-term provisions	7	355.71	349.39
		1,639.01	1,632.74
Current liabilities			
(a) Short-term borrowings	8	1,702.44	1,948.62
(b) Trade payables	9	3,109.51	2,549.14
(c) Other current liabilities	10	1,031.01	894.46
(d) Short-term provisions	11	60.09	57.40
		5,903.05	5,449.62
TOTAL		12,863.23	12,367.17
II ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(i)	5204.27	5276.19
(ii) Intangible assets	12(ii)	13.76	4.45
(iii) Capital work-in-progress	12(iii)	1.71	-
		5219.74	5280.64
(b) Non-current investments	13	209.57	209.57
(c) Long-term loans and advances	14	242.41	223.04
(d) Other non-current assets	15	-	9.88
		451.98	442.49
Current assets			
(a) Inventories	16	2,283.16	2,177.55
(b) Trade receivables	17	4,311.80	3,690.37
(c) Cash and bank balances	18	295.55	317.16
(d) Short-term loans and advances	19	180.86	226.33
(e) Other current assets	20	120.14	232.63
		7,191.51	6,644.04
TOTAL		12,863.23	12,367.17

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements
As per our report of even date

2-50

On Behalf of the Board

For Sehgal Mehta & Co
CHARTERED ACCOUNTANTS
(FRN No.003330N)

CHAND SETH
Chairman & Managing Director
DIN-00002944

RAMESH MEHRA
Whole Time Director
DIN-00003334

NARESH KHANNA
Partner
Membership No. 081482
Place: New Delhi
Date : 30th May, 2017

RAJESH MEHRA
Chief Financial Officer

Priyanka
Asstt Company Secretary


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS	Note No.	For the	For the
		year ended March 31, 2017	year ended March 31, 2016
		(Rs. in lakhs)	(Rs. in lakhs)
Income			
Revenue from operations (gross)		18699.93	18647.42
Less: Excise duty		1291.07	953.63
Revenue from operations (net)	21	17408.86	17,693.79
Other income	22	141.68	110.28
Total Revenue (I)		17550.54	17,804.07
Expenses			
Cost of materials consumed	23	9970.41	9,900.96
Purchase of traded goods	24	32.69	57.80
Changes in inventories of Finished Goods, Stock in Process and Stock in Trade	25	(214.55)	171.21
Employees benefits expense	26	1738.33	1,582.61
Other expenses	27	4872.72	4,929.60
Prior period adjustments	28	8.19	8.25
Total Expenses (II)		16407.79	16,650.43
Earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA) [I-II]			
Depreciation and amortization expense	29	1142.75	1,153.64
Finance costs	30	631.40	653.97
		450.22	538.88
Profit/(loss) before tax		61.13	(39.21)
Tax Expense			
(1) Current tax		12.10	-
(2) Deferred tax		(18.66)	(85.61)
(3) Tax adjustment for earlier year		31.35	-
Total tax expense		24.79	(85.61)
Profit/(loss) for the year		36.34	46.40
Earning per equity share of face value of Rs. 10/- each			
Basic	31	0.22	0.28
Diluted		0.22	0.28

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements
As per our report of even date

1
2-50

On Behalf of the Board

For Sehgal Mehta & Co
CHARTERED ACCOUNTANTS
(FRN No.003330N)

CHAND SETH
Chairman & Managing Director
DIN-00002944

RAMESH MEHRA
Whole Time Director
DIN-00003334

NARESH KHANNA
Partner
Membership No. 081482
Place: New Delhi
Date : 30th May, 2017

RAJESH MEHRA
Chief Financial Officer

Priyanka
Asstt Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	For the year Ended March 31, 2017 (Rs. in lakhs)	For the year Ended March 31, 2016 (Rs. in lakhs)
A. Cash flow from operating activities:		
Net profit / (loss) before tax	61.13	(39.21)
Adjustments for :		
Depreciation/Amortisation	631.40	654.96
Interest Expense	450.22	538.88
Interest Income	(38.92)	(37.23)
(Profit)/loss on sale of assets	(34.67)	0.35
(Profit)/loss on sale/write off of Investments	0.00	0.69
Operating profit before working capital changes	1069.16	1118.44
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	(621.43)	389.94
- (Increase)/Decrease in Other Receivables	130.38	19.46
- (Increase)/Decrease in Inventories	(105.61)	116.28
- Increase/(Decrease) in Trade and Other Payables	581.45	(595.74)
Cash generated from operations	1053.95	1048.38
- Taxes (Paid) / Received	6.51	(1.86)
Net cash from operating activities (a)	1060.46	1046.52
B. Cash flow from Investing activities:		
Purchase of fixed assets		
Additions during the period	(584.60)	(269.85)
Proceeds from Sale of fixed assets	48.76	0.34
(Purchase)/ Sale of Investment	0.00	12.06
Interest Received (Revenue)	49.39	33.33
Net cash used in investing activities (b)	(486.45)	(224.12)
C. Cash flow from financing activities:		
Proceeds from long term borrowings(Net)	150.12	156.89
Proceeds from Short Term Borrowing	(246.18)	(456.87)
Interest Paid	(457.22)	(536.49)
Net cash used in financing activities (c)	(553.28)	(836.47)
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	20.73	(14.07)
Cash and cash equivalents as at 01.04.2016	92.69	106.76
Cash and cash equivalents as at 31.03.2017	113.42	92.69
Cash and cash equivalents comprise		
Cash in hand	6.40	9.53
Balance with Scheduled Banks	107.02	83.16
	113.42	92.69

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified in the Companies (Accounting Standard) Rules, 2006.
- Figures in brackets indicate cash outgo.
- Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For Sehgal Mehta & Co
CHARTERED ACCOUNTANTS
(FRN No.003330N)

NARESH KHANNA
Partner
Membership No. 081482
Place: New Delhi
Date : 30th May, 2017

On Behalf of the Board

CHAND SETH
Chairman & Managing Director
DIN-0002944

RAMESH MEHRA
Whole Time Director
DIN-00003334

RAJESH MEHRA
Chief Financial Officer

Priyanka
Asstt Company Secretary

**Notes to financial statements for the year ended March 31, 2017****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared on the accrual basis under the historical cost convention and in compliance with the mandatory Accounting Standards prescribed under section 133 of the Companies Act 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared and presented as per the format prescribed under Schedule III notified under the Companies Act, 2013.

C. TANGIBLE ASSETS:

Fixed assets are stated at cost of acquisition (less accumulated depreciation and impairment, if any). Cost includes freight, duties, taxes & other incidental expenses related to acquisition and installation of fixed assets.

D. DEPRECIATION:

Depreciation on fixed assets is provided on straight-line method over useful life of assets as prescribed in Part C of schedule II to the Companies Act, 2013 except for lease hold land, which is amortized over the period of the lease. The depreciation on assets acquired/sold/discarded during the year is provided from/up to the period the assets is acquired/sold or discarded.

E. INTANGIBLE ASSETS:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Software which is not an integral part of the related hardware, is classified as an intangible asset and is being amortized over a period of five years, being the estimated useful life.

F. INVESTMENTS:

Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary, in the opinion of the management. Current investments are valued at lower of cost or fair value.

G. INVENTORIES:

Raw materials, packing Materials and stores & spares are valued at lower of cost (determined on FIFO basis) & net realizable value. Semi finished goods (Pet Preforms) and finished goods & accessories are valued at lower of weighted average cost including applicable manufacturing overheads and net realizable value.

H. REVENUE RECOGNITION:

Sale of goods is recognized at the point of dispatch to the customer, except in the case of export sales, which are recognized as per the terms of the contract. Sales are inclusive of Excise Duty and net of trade discounts. The company accounts for volume discounts on actual basis as a reduction of revenue.

I. EMPLOYEES BENEFITS:**a) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits**(i) Defined Contribution Plans:**

The company's managed Provident Fund scheme, state governed pension fund scheme, employee state insurance scheme and superannuation scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) Defined Benefit Plans:

The employees' gratuity fund scheme is a Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

c) Other Long-term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date. Contribution to Provident Fund is charged to Profit & Loss Account as incurred. Gratuity and Leave encashment benefits are charged to Profit & Loss Account on the basis of amount determined actuarially at the year end. Superannuation is provided on the basis of amount paid/payable under the insurance scheme, taken from Life Insurance Corporation of India.

J. RESEARCH AND DEVELOPMENT EXPENSES:

Expenditure relating to capital items is debited to Fixed Assets and depreciated at applicable rates. Revenue Expenditure is charged to Profit & Loss Account of the year in which they are incurred.

K. LEASE ASSETS:

- a) For assets acquired on lease prior to 31.3.2001, the lease rentals are charged to Profit and Loss Account.
- b) For assets acquired on lease after 01.04.2001, in terms of Accounting Standard (AS-19) issued by the Institute of Chartered Accountants of India, lease of assets under which all the risks and benefits of ownership is effectively retained by the lessor are classified as operating lease, otherwise it is classified as financial lease. Payment made under operating lease is charged to profit and loss account on a straight-line basis over the period of lease.

L. BORROWING COST

Borrowing cost that are attributable to the acquisition of qualifying assets are capitalized up to period such assets are ready for their intended use. All other borrowing costs are charged to Profit & Loss Account.

M. GOVERNMENT GRANTS

- a) Government grants relating to specific fixed assets are adjusted with the value of tangible assets.
- b) Government grants in the nature of promoters' contribution. i.e., which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- c) Government grants related to revenue items are either adjusted with the related expenditure or shown under the schedule "Other Income", in case direct linkage with the cost is not determinable.

N. TAXES ON INCOME:

- a) Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.
- c) Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under tax laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

O. FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions denominated in foreign currencies are recorded at exchange rate prevailing at the date of transaction.
- b) Foreign currency monetary items are translated at year-end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- c) The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purpose is amortized as an expense or income over the life of the contract.

P. IMPAIRMENT OF ASSETS:

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent cash flows) are identified using external and internal sources of information and impairment loss if any, is determined and recognized in accordance with the Accounting Standard (AS) 28 issued in this regard by The Institute of Chartered Accountants of India.

Q. PROVISIONS AND CONTINGENCIES:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.


Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
2 SHARE CAPITAL				
AUTHORISED				
3,00,00,000(Previous Year-3,00,00,000) Equity shares of Rs.10/- each		3,000.00		3,000.00
20,00,000(Previous Year-20,00,000) Non Cumulative Redeemable Preference Shares of Rs.100/- each		2,000.00		2,000.00
ISSUED, SUBSCRIBED & FULLY PAID UP		5,000.00		5,000.00
168,34,932(Previous Year 168,34,932) Equity shares of Rs.10/-each.	1,683.49		1,683.49	
Less : Calls in Arrears	(0.81)	1,682.69	(0.81)	1,682.69
Total issued, subscribed and fully paid-up capital		1,682.69		1,682.69

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a face value of Rs. 10/- per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the Company, the holder's of equity shares would be entitled to receive remaining assets of the Company, after distribution of all Preferential amount. The distribution will be in proportion to the number of equity shares held.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	No.(lakhs)	(Rs. in lakhs)	No.(lakhs)	(Rs. in lakhs)
At the beginning of the period	168.35	1,683.49	168.35	1,683.49
Outstanding at the end of the period	168.35	1,683.49	168.35	1,683.49

Details of shareholders holding more than 5% shares of the company

Name of Share Holder- Equity	No. of Shares	% holding	No. of Shares	% holding
	(in lakhs)	in class	(in lakhs)	in class
Chand Seth	8.90	5.29	8.90	5.29
Pacific Pearl Finance & Leasing Ltd	11.16	6.63	11.16	6.63
Pearl Telephonic Ltd (formerly Sinclair Exports Ltd)	22.80	13.55	22.80	13.55
Theta Investment Pvt Ltd	20.64	12.26	20.64	12.26

3 RESERVE AND SURPLUS				
CAPITAL RESERVE		144.72		144.72
CAPITAL REDEMPTION RESERVE		1,733.00		1,733.00
SECURITIES PREMIUM ACCOUNT				
At the beginning of the period	1,870.03		1,870.03	
Less: Calls in Arrears	(1.76)	1,868.27	(1.76)	1,868.27
GENERAL RESERVE		147.42		147.42
SURPLUS /DEFECIT IN THE STATEMENT OF PROFIT & LOSS				
Balance as per last financial statements	(291.28)		(337.68)	
Profit/(Loss) for the year	36.34		46.40	
	(254.94)		(291.28)	
Net Surplus/(Defecit) in the Statement of Profit & Loss		(254.94)		(291.28)
Total Reserve and Surplus		3,638.48		3,602.12

Non-current liabilities

4 Long Term Borrowings				
I Term Loans from Other Parties (secured)		741.98		662.41
II Vehicle Loans from Banks (secured)		27.25		22.85
Total Long Term Borrowings		769.23		685.26

I Term Loans

(I) Term Loan of Rs. 184.63 lakhs (Previous Year Rs. 266.71 lakhs) is secured by way of exclusive charges on machines installed at company's all units. The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Varun Seth, Directors of the Company. Repayments - in quarterly installments till 10.6.2019. Current Rate of Interest is 11.70% p.a.(ii) Term Loan of Rs. 477.77 lakhs (Previous Year Rs. 600 lakhs) is secured by way of first charge on immovable property situated at Baddi (Himanchal Pradesh). The above said loan is further secured by personal guarantees of Mr. Chand Seth and Mr. Varun Seth, Directors of the Company. Repayments - in monthly installments till 24.10.2020. Current Rate of interest is 11.70% p.a.(iii) Term Loan of Rs. 370.31 lakhs (Previous Year Nil) is secured by way of exclusive charge on some plant & machineries installed at Company's all units and also have negative lien over the property being industrial land & building situated at Baddi (Himanchal Pradesh). The above said loan is further secured by personal guarantee of Mr. Chand Seth & Mr. Varun Seth, Directors of the Company. Repayments - in monthly installments till 28.02.2022. Current Rate of interest is 11.50% p.a.

Repayments of above Term Loans are as follows:

Period of Payment of Installments	Term Loan (i)	Term Loan (ii)	Term Loan (iii)
From 1 to 2 years	164.14	266.69	150.64
From 2 to 3 years	20.49	133.35	75.32
From 3 to 4 years	-	77.73	75.32
From 4 to 5 years	-	-	69.03

II Vehicles Loans

Vehicle loans of Rs.43.00 lakhs (Previous Year Rs. 33.94 lakhs) are secured against hypothecation of respective vehicles. Repayments - in monthly installment till 05.01.2022

Repayments of above Vehicles Loans are as follows:

- (i) From 1 to 2 years - Rs. 30.14 lakhs
- (ii) From 2 to 3 years - Rs.4.17 lakhs
- (ii) From 3 to 4 years - Rs.4.56 lakhs
- (iii) From 4 to 5 years - Rs.4.13 lakhs



PEARL Polymers Limited

Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
5 Deferred Tax Liability (Net)				
Deferred Tax				
Assets				
Provision for Doubtful Debt and Advances	47.47		47.16	
Provision for Leave Encashment	38.14		40.82	
Gratuity	90.34		84.87	
Unabsorbed Depreciation	21.16		54.98	
Bonus	9.72	206.83	9.16	236.99
Liabilities				
Depreciation		583.47		632.29
Total Deferred Tax Liability (Net)		376.64		395.30
6 Other Long Term Liabilities				
Supplier's Credit		-		27.22
Security Deposit Received		77.43		71.36
Inter Corporate Deposits		60.00		60.81
Loan from Directors		-		23.40
Others		-		20.00
Total Other Long Term Liabilities		137.43		202.79
7 Long Term Provisions				
Provision for Employees Benefits				
Gratuity	266.95		254.74	
Leave Encashment (Refer: Note No. 44)	88.76	355.71	94.65	349.39
Total Long Term Provisions		355.71		349.39
8 Current liabilities				
Short Term Borrowings				
Loan Repayable on demand from Banks (secured)		1,702.44		1,798.62
Other loans and advances (unsecured)				
Inter Corporate Deposits		-		150.00
Total Short Term Borrowings		1,702.44		1,948.62
Loan Repayable on demand from Banks (secured)				
Working Capital Loans from Banks are secured by hypothecation of inventories and Book Debts and are further secured by first charge on Company's immovable property at Mahad, Jigani, and Pantnagar. The above said loans are further secured by personal guarantees of Mr.Chand Seth & Mr. Varun Seth, Directors of the Company.				
9 Trade Payables				
Creditors for Raw materials*	2,425.90		2,248.38	
Creditors for Other Service*	683.61	3,109.51	300.76	2,549.14
*(Ref Note No. 45 for details of dues to Micro & Small Enterprises)				
		3,109.51		2,549.14
10 Other Current Liabilities				
Current maturity of long term loans from other parties (Ref Note I of 4)		290.74		204.30
Current maturity of Vehicle Loans(Ref Note II of 4)		15.75		11.09
Interest Accrued but not due		2.89		9.89
Advance Received from Customers		9.81		1.28
Unclaimed Matured Deposits		10.05		10.79
Other Payables				
Directors Remuneration Payable	3.67		3.23	
Employees dues Payable	119.89		102.01	
Statutory dues	189.21		162.84	
Expenses Payable	324.75		280.95	
Creditors for Capital Goods	4.04		48.12	
Others	60.21	701.77	59.96	657.11
Total Other Short Term Liabilities		1,031.01		894.46
11 Short Term Provisions				
Provision for Employees Benefits				
Leave Encashment payable		34.68		37.47
Gratuity payable (Refer Note 44)		25.41		19.93
Total Short Term Provisions		60.09		57.40
12 Non-Current Assets				
Fixed Assets				
i) Tangible Assets (Ref details below)	5,204.27		5,276.19	
ii) Intangible Assets (Ref details below)	13.76		4.45	
iii) Capital Work-in-Progress	1.71	5,219.74	-	5,280.64
Total Non Current Assets		5,219.74		5,280.64

Tangible Assets Description	(Rs. in lakhs)									
	Land Freehold	Land Leasehold	Building	Plant & Machinery	Moulds	Furniture & Fixtures	Office Equipments	Vehicles	Computers	Total
Cost or Valuation										
As at 1.4.2016	90.80	166.55	2,133.36	10,536.29	3,412.73	139.70	120.47	278.42	127.23	17,005.56
Additions	-	-	25.78	270.98	234.07	1.34	5.49	28.28	6.45	572.40
Disposals/ Depreciation written back	-	-	(1.34)	(142.28)	(5.38)	-	-	(20.16)	-	(169.16)
As at 31.3.2017	90.80	166.55	2,157.81	10,664.99	3,641.38	141.03	125.96	286.54	133.68	17,408.76
Depreciation										
As at 1.4.2016	-	15.14	929.32	7,594.79	2,665.58	117.80	107.37	188.02	111.35	11,729.38
Charges for the year	-	1.85	58.87	440.47	93.04	3.94	4.68	21.54	5.82	630.22
Disposals	-	-	(0.66)	(135.17)	(0.08)	-	-	(19.15)	-	(155.07)
As at 31.3.2017	-	16.99	987.53	7,900.10	2,758.50	121.74	112.06	190.41	117.16	12,204.49
Net Block										
As at 31.3.2017	90.80	149.57	1,170.28	2,764.90	882.88	19.29	13.91	96.13	16.52	5,204.27
As at 31.3.2016	90.80	151.41	1,204.04	2,941.50	747.15	21.90	13.10	90.40	15.88	5,276.19

Intangible Assets

Gross Block	Computer software	Total
As at 1.4.2016	16.26	16.26
Purchase	10.49	10.49
Internal Development	-	-
As at 31.3.2017	26.75	26.75
Amortization		
As at 1.4.2016	11.81	11.81
Charges for the year	1.18	1.18
As at 31.3.2017	12.99	12.99
Net Block		
As at 31.3.2017	13.76	13.76
As at 31.3.2016	4.45	4.45



PEARL Polymers Limited

Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
13 Non Current Investments				
Other Investments -Fully paid up				
Investment in Equity Shares-Quoted				
Investment in Associates				
i) 54,92,960 Equity Shares (Previous Year - 54,92,960) Equity Shares of Rs.10/- each in Pearl Engineering Polymers Ltd.		67.01		67.01
ii) 27,450 (Previous Year 27,450) Equity Shares of Rs.10/- each in Pearl Apartments Ltd.		0.87		0.87
Others				
i) 2,000 (Previous Year 2,000) Equity Shares of Rs.10/- in Valliant Communications Ltd.		0.20		0.20
ii) 3,300 (Previous Year 3,300) Equity shares of Rs..10/- each of Pasupati Fincap Ltd.		0.21		0.21
iii)100 (Previous Year 100) Equity shares of Rs.10/- each of Prism Cement Ltd.		0.004		0.004
iv) 5,000 (Previous Year 5,000) Equity shares of Rs.10/- each of Master Trust Ltd.		0.57		0.57
v) 600 (Previous Year 600) Equity shares of Rs.10/- each of Dion Global Solutions Ltd		0.02		0.02
vi) 5,900 (Previous Year 5,900) Equity shares of Rs.10/- each of Market Creator Ltd.		0.27		0.27
Investment in Preference Shares-Unquoted				
Investment in Associates				
i) 84,500 (Previous Year -84,500) 6% Redeemable Non-Cumulative Preference Shares of Rs.100/- each of Pacific Pearl Finance & Leasing Ltd		84.50		84.50
ii) 7,06,000 Preference Shares (Previous Year -7,06,000) of Rs.100/- each in Pearl Engineering Polymers Ltd.		55.92		55.92
Total Non Current Investments		209.57		209.57
Aggregate market value of Quoted Investments		100.48		101.35
Aggregate amount of Quoted Investments		69.15		69.15
Aggregate amount of Unquoted Investments		140.42		140.42
14 Long Term Loans and advances				
Capital Advances -unsecured- considered good		2.19		1.89
Security Deposits-unsecured				
-Considered good	235.19		214.04	
-Considered doubtful	4.69		4.69	
Less: Provision for doubtful advances	(4.69)	235.19	(4.69)	214.04
Other Loans and advances - unsecured				
Prepaid Expenses-considered good		2.50		4.58
Excise Duty-under protest		2.50		2.50
Others		0.03		0.03
Total Long Term Loans and advances		242.41		223.04
15 Other Non-current Assets				
Others				
Vat recoverable		-		9.88
Total Other Non-current Assets				9.88
16 Inventories				
(As verified & certified by Management)				
Raw Materials	380.95		530.89	
Raw Materials in transit	18.42		27.66	
Finished Goods and Accessories	1,375.48		1,220.56	
Stock in Trade	34.35		11.24	
Semi-finished Goods	98.92		62.40	
Packing Materials	165.83		137.29	
Packing Materials in transit	3.22		8.61	
Stores & Spares	205.99	2,283.16	178.90	2,177.55
Total Inventories		2,283.16		2,177.55
17 Trade Receivables (Unsecured)				
Debts outstanding for a period exceeding six months from the date they are due for payment				
-Considered Good	237.76		140.26	
-Considered Doubtful	152.70		152.61	
Less: Provision for Doubtful Debts	(152.70)	237.76	(152.61)	140.26
Other Debtors-Considered Good		4,074.04		3,550.11
Total Trade Receivables		4,311.80		3,690.37
18 Cash and Bank Balances				
Balance with Banks				
-Current Accounts		107.02		83.16
Other Bank Balances				
Margin Money		182.13		224.47
Cash in hand		6.40		9.53
Total Cash and Cash Equivalentents		295.55		317.16


Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
19 Short Term Loans and Advances				
Unsecured considered good				
Security Deposits		17.31		17.48
Advance to Suppliers		30.72		18.54
Capital Advances		59.13		-
Prepaid Expenses		39.70		32.34
Vat recoverable		9.88		-
Insurance Claim Receivable		-		124.81
Others		24.12		33.16
Total Short Term Loans and Advances		180.86		226.33
20 Other current Assets				
Others - Unsecured - considered good				
Balances with Excise and Customs Authorities		38.31		20.77
Advance Tax /Tax Deducted at Source		17.42		67.38
(Net of provision for tax Rs. 12.10 Lakhs, previous year Rs. Nil)				
Interest Accrued on Deposits and Advances		19.81		30.28
Discounts Receivable		1.30		6.44
Others		43.30		107.76
Total Other non current Assets		120.14		232.63
Current Assets & Current Liabilities: In the opinion of the Board, the Current Assets, Loans and advances have a value on realization in the ordinary course of business, at least equal to the amount stated in the Balance Sheet				
21 Revenue from Operations				
Sale of products		18,601.47		18,585.16
Other operating revenues				
Scrap Sales	78.62		58.94	
Others	19.84	98.46	3.32	62.26
		18,699.93		18,647.42
Less: Excise Duty		1,291.07		953.63
Excise duty on sales amounting to Rs.1291.07 lakhs (Previous year Rs. 953.63 lakhs) have been reduced from sales in profit & loss account and excise duty on increase/decrease in stock amounting to Rs.32.59 lakhs (previous year (Rs.10.76) lakhs) and Branch Transfer Rs. 58.46 lakhs (previous year Rs. 36.51 lakhs) have been considered as expense/(income) in note of financial statement				
		17,408.86		17,693.79
22 Other Income				
Interest income on				
Bank Deposits	21.31		19.93	
Security Deposits	17.32		17.30	
Others	0.29	38.92	-	37.23
Exchange Rate Difference		16.59		-
Insurance Claims Received		0.66		-
Balances written back		9.21		19.34
Profit on sale of Fixed Assets		34.67		0.17
Provision No Longer Required written back		6.25		7.62
Misc Income		35.38		45.92
		141.68		110.28
23 Cost of Raw Materials Consumed				
Raw Materials				
Inventory at the beginning of the year	558.53		503.48	
Add: Purchase	8,327.32		8,366.07	
Less: Inventory at the end of the year	399.37	8,486.48	558.54	8,311.01
Packing Materials				
Inventory at the beginning of the year	145.90		157.31	
Add: Purchase	1,231.97		1,283.14	
Less: Inventory at the end of the year	169.05	1,208.82	145.90	1,294.55
Direct Purchase				
Pet Preforms	75.73		1.19	
Caps/Wads	199.38	275.11	294.22	295.40
		9,970.41		9,900.96
Particulars of Raw Materials consumed		Value		Value
		Rs. in lakhs		Rs. in lakhs
		March 31, 2017		March 31, 2016
Pet Chips		7,403.34		7,141.58
Polypropylene		1,033.20		1,124.12
Other		49.94		45.30
		8,486.48		8,311.01

Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
24 Purchase of Traded goods				
Pet Bottles & Jars		18.90		32.98
Others		13.79		24.81
		32.69		57.80
25 Changes in inventories of Finished Goods, Stock in Process and Stock in Trade				
Inventory at the beginning of the year				
Finished goods and Accessories	1,220.56		1,346.64	
Stock in Trade	11.24		18.03	
Semifinished goods	62.40	1,294.20	100.74	1,465.41
Inventory at the end of the year				
Finished goods and Accessories	(1,375.48)		(1,220.56)	
Stock in Trade	(34.35)		(11.24)	
Semifinished goods	(98.92)	(1,508.75)	(62.40)	(1,294.20)
		(214.55)		171.21
26 Employee benefit Expenses				
Salary, Wages, Bonus & Other Allowance	1,535.84		1,384.07	
Contribution to P.F, ESI & other Funds	134.15		118.61	
Staff Welfare expenses	68.34	1,738.33	79.93	1,582.61
		1,738.33		1,582.61
27 Other Expenses				
Consumption of Stores & Spares		299.93		344.30
Freight, Octroi & Cartage		447.51		499.99
Power and Fuel		1,955.21		1,883.83
Electricity & Water Charges		38.78		39.22
Advertisement, Publicity & Selling expenses		165.18		156.20
Printing, Stationery, Postage, Telephone & Telex		114.87		94.53
Rent		94.28		103.08
Repairs & Maintenance				
- Building	27.94		51.01	
- Machinery	82.69		100.66	
- Others	53.16	163.79	61.40	213.07
Insurance		27.12		27.18
Rates & Taxes		27.39		22.91
Commission		5.98		37.00
Rebate & Discount		-		39.52
Conveyance & Travelling expenses		227.33		217.16
Legal & Professional Fees		88.96		78.76
Payment to Auditors (Refer details below)		26.64		26.82
Exchange Rate Fluctuation (Net)		-		19.21
Donations		0.11		1.70
Loss on Sale/Write off Fixed Assets		-		0.06
Loss on settlement of Fire Claim		-		66.58
Director's Sitting fees		0.52		0.45
Sales Tax Additional Demand		12.95		11.14
Provision for doubtful debts /Advances		1.00		2.82
Bad debts written off		102.60		23.49
Loss on sale/write off of Investments		-		0.69
Advances written off		7.21		10.33
Wages Contractors		505.70		452.91
Hire Charges		183.49		235.08
Miscellaneous expenses		164.06		169.59
Job work/Processing charges		121.06		126.23
Excise duty on Branch Transfer		58.46		36.51
Excise duty on Increase/Decrease of Inventory		32.59		(10.76)
		4,872.72		4,929.60
Payment to Auditors	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
Audit Fees				
Statutory Audit Fees	7.08	-	7.06	-
Limited Review Fee	7.46	-	7.59	-
for Taxation matters	10.95	-	10.45	-
for Company law matters	-	-	0.57	-
Management & Other Services	1.15	-	1.15	-
	26.64	-	26.82	-
Total Payment to Auditors		26.64		26.82
28 Prior period adjustments				
Expenditure/(Income)				
Travelling		0.07		0.49
Printing & Stationery		0.05		-
Repairs & Maintenance Others		0.10		0.64
Electricity		0.20		-
Freight outward		7.22		1.88
Legal & professional		-		0.85
Rates & Taxes		-		1.42
Misc Expenses		0.55		2.97
		8.19		8.25


Notes to financial statements for the year ended March 31, 2017

		March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
29 Depreciation and Amortization				
Depreciation		630.22		652.44
Amortization		1.18		653.97
		631.40		653.97
30 Finance Costs				
Interest Expenses			382.38	458.83
Other Borrowing Cost			67.84	80.05
			450.22	538.88
31 Earning per share (EPS)				
The following reflects the basic and diluted EPS computations :				
Total operations for the year		(Rs. in lakhs)		(Rs. in lakhs)
Net Profit/(Loss) for allocation of basic EPS		36.34		46.40
Weighted average number of equity shares in calculating basic EPS		(No. in lakhs)		(No. in lakhs)
Basic Earning per share (Rs.)		168.35		168.35
Total No of weighted average Equity Shares including diluted potential		0.22		0.28
Equity Shares outstanding during the year		168.35		168.35
Diluted Earning per share (Rs.)		0.22		0.28
32 Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)		(Rs. in lakhs)		(Rs. in lakhs)
		138.09		29.80
33 Contingent Liabilities		(Rs. in lakhs)		(Rs. in lakhs)
In respect of guarantees executed by Banks against lodgment of counter guarantees of the Company * Provided by way of Margin Money Rs. 21.63 lakhs (Previous Year Rs. 30.41 lakhs)		88.63		91.98
In respect of Service Tax		0.04		0.04
In respect of demands for Excise Duty * * includes: The Company had received for its unit at Mahad show cause notice from:- Dy. Commissioner of Central Excise. Mahad Division issued SCN for producing & clearing both dutiable and non dutiable product under Notification No. 4/1997 Dated 01.03.1997 for Rs. 360.59 lakhs for the period from March 1997 to June 1997. It appears that Appeal of department is set aside by CESTAT and department has filed appeal before Supreme Court in same matter for earlier period. This case was in call book and has been heard now by Commissioner of Central Excise, Raigad on 11.12.2013 and order is awaited. Asst. Commissioner given show cause notice relating to supplementary invoices raised from January 2001 to April 2003 and differential duty deposited, but interest on delayed payment of duty not paid, hence demand raised of Rs.0.04 by department. Joint Commissioner of Central Excise has given notice for excess availment of centvat credit on the supply of pet chips by SOUTH ASIAN PETRO CHEM. Demand confirmed and penalty Rs. 5.00 Lacs imposed DT 26.12.06. Appeal filed with CESTAT for Ed Cess of Rs. 14093/- and to levy penalty Dropped vide order dated 21.02.08. Asst. Commissioner of Central excise issued notice for Rs 21221/- for interest payment on reversed the centvat amount against Rm& packing material destroyed in fire incident .point taken in EA 2000 Audit . REPLY SUBMITTED ON 27.08.2015 TO ASSTT COMM CENTRAL EXCISE. Asst. Commissioner of Central excise rejected our remission application submitted 20.04.2015 for damaged of FG in Fire of Rs. 7,22,122/- . REPLY FOR THAT SUBMITTED ON 27.04.17. The Superintendent of Central Excise Baddi has issued show cause notice for reversal of centvat credit taken on capital goods of Rs. 2,83,049/- on 28.12.16. Reply for that submitted to the Superintendent of Central Excise Baddi. The Company had received for its unit at Jigani show cause notice from Asst. Commissioner of Central Excise, Bangalore for Inclusion of cost of transportation of goods from factory to the customer destination for determining the assessable value of the goods for excise duty for Rs.440573. Appeal filled before the Hon'ble Customs, Excise and Service Tax Appellate Tribunal along with Stay Application on 21/08/2014. In respect of sales Tax * In respect of assessment order for the year 2005-06 of its unit at mahad of Rs. 102.67 lakhs.(VAT) In respect of assessment order for the year 2005-06 of its unit at mahad of Rs. 123.84 lakhs.(CST) In respect of assessment order for the year 2008-09 of its unit at mahad of Rs. 11.85 lakhs.(CST) In respect of Demand for income tax pertaining to assessment year 2010-11 & 2014-15 for Assessment u/s 143(3) (previous year pertains to assessment year 2010-11, & 2011-12.) In respect of Demand for income tax pertaining to assessment year 2009-10 & 2011-12 for demand u/s 271(1)		376.79	381.36	
		238.36		248.24
		27.01		61.61
		-		5.03



PEARL Polymers Limited

Notes to financial statements for the year ended March 31, 2017

	March 31, 2017 (Rs. in lakhs)	March 31, 2016 (Rs. in lakhs)		
34 Value of imports calculated on CIF basis				
Raw Materials	1,335.04	605.45		
Traded goods	-	16.27		
Capital goods	2.18	16.62		
35 Expenditure in foreign currency (accrual basis)				
Travelling and conveyance	1.75	0.48		
Others	0.56	0.58		
36 Earnings in foreign currency (accrual basis)				
Exports at F.O.B Value - Finished Goods	5.42	4.48		
37 The Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as under :				
	2016-17		2015-16	
Particulars	In Foreign Currency	Rs. in lakhs	In Foreign Currency	Rs. in lakhs
Trade Receivable				
USD	6,611	4.29	-	-
Trade Payable				
USD	551,475	369.78	-	-
EURO	9,072	6.29	4,080.00	3.08
38 Imported and Indigenous Raw Materials, Components and Spare parts consumed	% of Total Consumption	Value Rs. in lakhs	% of Total Consumption	Value Rs. in lakhs
Raw Materials				
Imported	16.64	1,412.28	9.33	709.01
Indigenously obtained	83.36	7,074.20	91.47	7,602.00
	100	8,486.48	100.00	8,311.01
Spare parts & Components				
Imported	0.73	2.18	-	-
Indigenously obtained	99.27	297.75	100.00	344.30
	100	299.93	100.00	344.30
39	Purchases are net of incentives received.			
40 Related party disclosures	Name of relative parties and related party relationship			
	Key Management Personnel			
	Mr.Chand Seth - Chairman & Managing Director			
	Mr.Varun Seth - Whole Time Director			
	Mr. Ramesh Mehra - Whole Time Director			
	Relatives of Key Management personnel and their enterprises where transactions have taken place			
	Mrs. Suneeta Seth			
	Mr. Amit Seth			
	Mr. Udit Seth			
	Related parties where control exists			
	Pearl Flats India Ltd			
	Pacific Pearl Finance & Leasing Ltd			
	Pearl Telefonics Ltd (Formerly Sinclair Exports Ltd)			
	Theta Investments Pvt Ltd			
	Pearl Engineering Polymers Ltd.			
41 Related party transactions				
Key Management Personnel				
Remuneration paid				
Mr Chand Seth	57.81			57.89
Mr Varun Seth	48.43			46.45
Mr Ramesh Mehra	13.80			13.80
Outstanding Payable				
Mr Chand Seth	1.20			24.61
Mr. Varun Seth	0.88			0.88
Mr. Ramesh Mehra	1.01			1.15
42 Relatives of Key Management Personnel				
Remuneration paid				
Mr Amit Seth	30.28			30.28
Mr Udit Seth	30.28			30.28
Rent paid				
Theta Investments Pvt Ltd	6.00			6.00
Mrs Suneeta Seth	12.00			12.00
Outstanding Payable				
Mr. Amit Seth	1.39			1.39
Mr. Udit Seth	1.39			1.39
Mrs Suneeta Seth	1.08			1.08



Notes to financial statements for the year ended March 31, 2017

	March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)
43 Related parties where control exists			
Management Consultancy Charges Received			
Pearl Engineering Polymers Ltd.	18.00		-
Outstanding Payable			
Pearl Flats India Ltd.	-		20.00
44 Gratuity and other post employment benefit plans			
Employees Benefits The Company has adopted Accounting Standard (AS)-15, "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006. The Company has classified various employees benefits as under:			
Defined Contribution Plans The Company has recognized the following amounts in the Profit & Loss Accounts for the year			
I. Employer's Contribution to Provident Fund	43.68		40.56
II. Employer's Contribution to Superannuation Fund	17.50		17.08
III. Employer's Contribution to Employees' Pension Scheme	46.99		44.05
IV. Employer's Contribution to Employees' State Insurance Scheme	17.15		11.49
Defined Benefit Plans Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by independent actuary, as at the Balance Sheet date based on the following assumptions.			
a) Discount Rate (per annum)	7.20%		7.50%
b) Rate of increase on compensation levels/escalation in salary	5.00%		5.00%
c) Expected rate of Return on Plan Assets	7.71%		8.85%
d) Expected Average remaining working lives of employees in number of years	18 yrs		18 yrs
	Gratuity (Funded) March 31, 2017	Leave Encashment March 31, 2017	Gratuity (Funded) March 31, 2016
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Changes in the Present Value of Obligation			Leave Encashment March 31, 2016
			Rs. in lakhs
Present value of Obligation as at 1 st April, 2016	296.51	119.95	295.33
Interest Cost	22.24	9.00	23.04
Past Service Cost	-	-	-
Current Service Cost	24.04	17.30	22.31
Curtailed Cost (Credit)	-	-	-
Impact due to settlement	-	-	-
Settlement Cost (Credit)	-	-	-
Directly paid by Enterprises	-	-	-
Benefits Paid	(25.04)	(10.36)	(24.50)
Actuarial Loss/(Gain)	(5.12)	(22.26)	(19.67)
Foreign Currency exchange rate different from the enterprises reporting currency	-	-	-
Present value of Obligation as at 31 st March, 2017	312.63	113.62	296.51
Changes in the Fair Value of Plan Assets			
Fair Value of Plan Assets as at 1 st April, 2016	21.84	-	16.06
Expected Return on Plan Assets	1.93	-	1.41
Actuarial Loss/(Gain)	(0.39)	-	(0.19)
Employers' Contribution	21.93	-	29.06
Contribution transferred from Group Companies	-	-	-
Benefits Paid	(25.04)	-	(24.50)
Contributions by Plan	-	-	-
Fair Value of Plan Assets as at 31 st March, 2017	20.27	-	21.84
Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2017			
GOI Securities	-	-	-
Public Securities	-	-	-
Bank Deposits (Special Deposit Scheme 1975)	-	-	-
State Government Securities	-	-	-
Insurance Policies	20.27	-	21.84
Other (including Bank Balances)	-	-	-
Reconciliation of Present Value of Define Benefit Obligation and the fair value of Assets			
Present value of funded Obligation as at 31 st March, 2017	312.63	113.62	296.51
Fair Value of Plan Assets as at 31st March, 2017	20.27	-	21.84
Funded (Assets)/Liability recognized in the Balance Sheet	-	-	-
Present value of Unfunded Obligation as at 31st March, 2017	292.36	113.62	274.67
Unrecognized past service cost	-	-	-
Unrecognized actuarial (Gain)/Losses	-	-	-
Unfunded Net Liability recognized in the Balance Sheet	292.36	113.62	274.67



PEARL Polymers Limited

Notes to financial statements for the year ended March 31, 2017

	March 31, 2017 (Rs. in lakhs)		March 31, 2016 (Rs. in lakhs)	
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Amount recognized in the Balance Sheet				
Present value of Obligation as at 31 st March ,2017	312.63	113.62	296.51	119.95
Fair Value of Plant Assets as at 31 st March ,2017	20.27	-	21.84	-
Assets/Liability recognized in the Balance Sheet(Net)	292.36	113.62	274.67	119.95
Expenses recognized in the Profit & Loss Account				
Current Service Cost	24.04	17.30	22.31	15.27
Past service Cost	-	-	-	-
Interest Cost	22.24	9.00	23.04	9.18
Expected Return on Plan Assets	(1.54)	-	(1.22)	-
Curtailment Cost (Credit)	-	-	-	-
Settlement Cost (Credit)	-	-	-	-
Net actuarial (Gain)/Loss	(5.12)	(22.26)	(19.67)	(15.06)
Contribution transferred from Group Companies	-	-	-	-
Total Expenses recognized in the Profit & Loss Account	39.62	4.04	24.45	9.39

45 Disclosure in accordance with Part I of Schedule VI of Companies Act, 1956 in respect of Micro, Small and Medium Enterprises" Particulars				
	March 31, 2017 Rs. in lakhs		March 31, 2016 Rs. in lakhs	
a. Principal amount remaining unpaid	Nil		Nil	
b. Interest due thereon	Nil		Nil	
c. Interest paid by the company in term of Section 16 of Micro, Small and Medium Enterprises Development Act.	Nil		Nil	
d. Interest due and payable for the period of delay in payment	Nil		Nil	
e. Interest accrued and remaining unpaid	Nil		Nil	
f. Interest remaining due and payable even in succeeding years	Nil		Nil	
This information as required to be disclosed has been determined to the extent such parties have been identified on the basis of information available with the company during the year				

46 The Company is engaged in the manufacture of PET bottles & jars and there is no separate reportable segment as per the Accounting Standard 17 on 'Segment Reporting' notified in the Companies (Accounting Standard) Rules, 2006.

47 During the year, Provision for Income Tax has been made on the basis of Book profits u/s 115JB of Income Tax Act, 1961.

48 Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomaion note as defined in the MCA notification G. S. R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination	Total
Closing Cash in hand as on November 8, 2016	21.88	4.26	26.14
(+) Permitted receipts	0.11	15.35	15.46
(-) Permitted payments	1.25	12.86	14.11
(-) Amount deposited in Banks	20.74	0.01	20.75
Closing Cash in hand as on December 30, 2016	-	6.74	6.74

*For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S. O. 3407(E) dated 8th November, 2016.

49 Disclosure for operating leases under Accounting Standard 19 "Lease". The Company has taken various residential flats/godowns/office premises (including furniture and fittings, there in as applicable) under operating lease or leave and license agreements. These are generally not non-cancellable and range between 11 months and 10 years under leave and license, or longer for other leases and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms. No contingent rents are recognized in the P&L Account.

50 Previous Year figures have been regrouped/reclassified, wherever considered necessary to confirm to current year's classification.

On Behalf of the Board

For Sehgal Mehta & Co
CHARTERED ACCOUNTANTS
(FRN No.003330N)

NARESH KHANNA
Partner
Membership No. 081482
Place: New Delhi
Date : 30th May, 2017

CHAND SETH
Chairman & Managing Director
DIN-00002944

RAJESH MEHRA
Chief Financial Officer

RAMESH MEHRA
Whole Time Director
DIN-00003334

Priyanka
Asstt Company Secretary

Form No. MGT-11
Proxy form
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: L25209DL1971PLC005535
 Name of the Company: Pearl Polymers Limited
 Registered office: A-97/2 Okhla Industrial Area, Phase II, New Delhi-110020

Name of the member (s):		E-mail Id:	
Registered address:		Folio No/ Client Id: DP ID:	

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ Address : _____
 E-mail id: _____ Signature: _____ or failing him
2. Name: _____ Address : _____
 E-mail id: _____ Signature: _____ or failing him
3. Name: _____ Address : _____
 E-mail id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, the 29th day of September 2017, At 11:30 A.M. at A-97/2 Okhla Industrial Area, Phase II, New Delhi-110020, registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 together with reports of the Board of Directors' and the Auditors' thereon.		
2.	To appoint a Director in place of Mr. Varun Seth (DIN: 00017552), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To re-appoint Sehgal Mehta & Co., (Firm Registration No. 003330N), Chartered Accountants, as the Statutory Auditors of the Company for a further period of five years (subject to ratification of their appointment at every AGM).		
SPECIAL BUSINESS			
4.	To re-appoint Mr. Chand Seth (DIN: 00002944) as the Chairman & Managing Director of the Company for a further period of three (3) years.		
5.	To re-appoint Mr. Ramesh Mehra (DIN: 00003334), as the Whole Time Director of the Company, for a further period of three (3) years.		

Signed this _____ day of _____ 2017

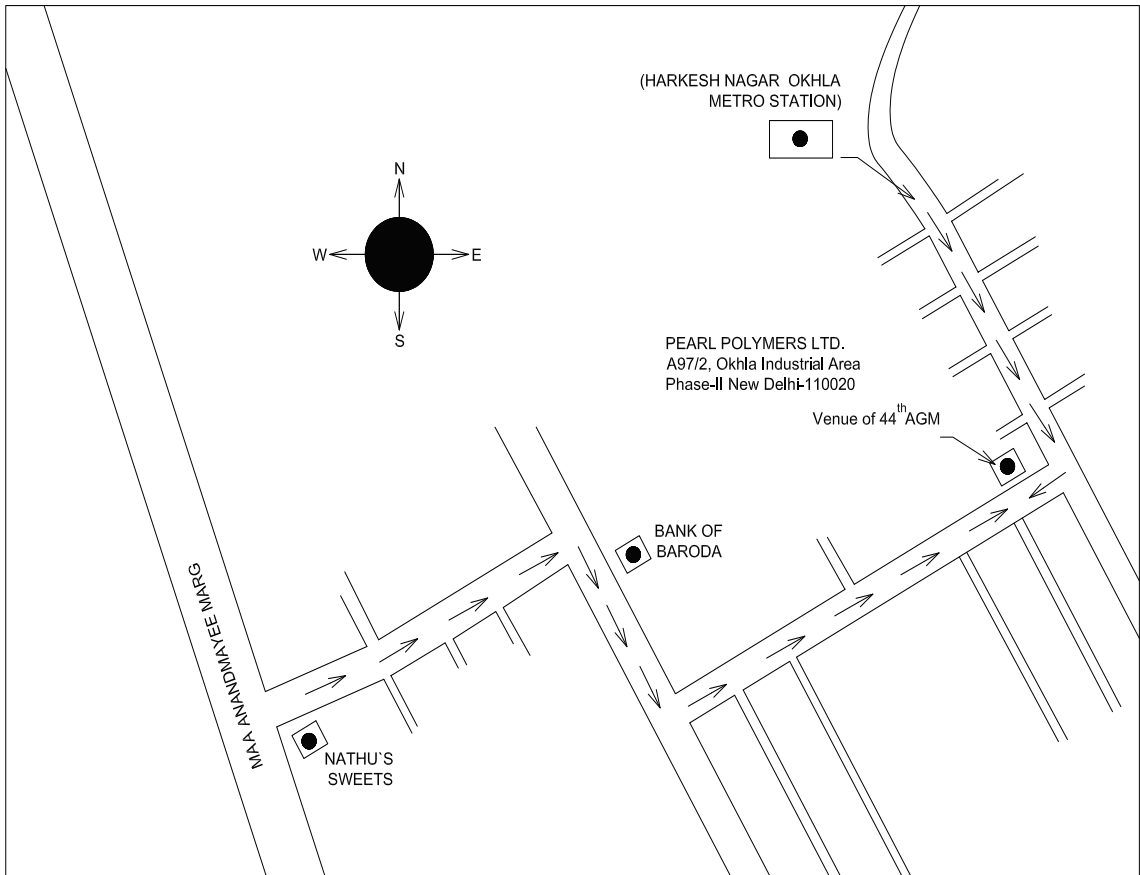
Affix Revenue Stamp

Signature of shareholder _____ Signature of Proxy holder(s) _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please put a ✓ in the appropriate column against the resolutions indicated in the Box.
3. In case of joint holders, the signature of any one holder will be sufficient, provided name of all the joint holders should be stated.

ROUTE MAP TO THE ANNUAL GENERAL MEETING



REGISTERED OFFICE

Pearl Polymers Limited
A-97/2, Okhla Industrial Area
Phase-II, New Delhi- 110020
Phone No.:011-47385300
Fax No.: 011-47480746