Polyplex
Corporation Limited

ANNUAL REPORT 2008-09

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REPORT
2008-2009

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POLYPLEX CORPORATION LIMITED

About Polyplex

Polyplex Corporation Ltd. together with its subsidiaries (Polyplex / Company) is a global supplier of performance plastic films used by flexible packaging and industrial products companies.

Polyplex maintains a strong balance sheet and a focused dedication to creating a competitive advantage for its customers and businesses. To achieve this, the Company has developed large integrated manufacturing bases in India, Thailand and Turkey apart from a distribution setup in the US.

Polyplex is the fourth largest producer of thin Polyester (PET) films and is now in the process of setting up BOPP and CPP manufacturing facilities in India and Thailand respectively. In the recent past, the Company has successfully ventured into downstream businesses like Silicone Coating and Extrusion Coating. The Company is also backward integrated to produce captive raw material for PET films as well as forward integrated to produce metallised films.

Manufacturing facility at Khatima, India

Polyplex At A Glance*

- Sales and Other Income of INR 1,141 crores (USD 249 million)
- 84% revenues from overseas markets
- Three-fourths of Polyplex products are used in packaging - primarily of food products
- 5 year Profit after Tax CAGR of 18%
- Customers in 75 countries
- About 1100 employees worldwide
- Dividend paid every year since 1993-94
- NSE Code: POLYPLEX

**Based on consolidated performance; figures in USD have been calculated based on average exchange rate during the year*

Manufacturing Plant

Sales Office

Distribution Centre

Partner Distribution

Manufacturing facility at Rayong, Thailand

Performance Highlights*

- Record Net Profit of INR 110 crores (USD 24 million), 34% higher than 2007-08.
- Operations of second line in Turkey commenced, making it the largest producer of thin PET films in Europe.
- Highest-ever production of 98,973 tons achieved to become the world's 4th largest producer of thin PET films.
- Record sales and other income of INR 1,141 crores (USD 249 million), 13% higher than 2007-08.
- New coating businesses stabilized.
- Progress on ongoing expansions (PET film & BOPP film lin in India and CPP film in Thailand) satisfactory.

*Based on consolidated performance; figures in USD have been calculated at the average exchange rate during the year.

Manufacturing facility at Çorlu, Turk

Financial Highlights*

(Rs. Lacs)

Description	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Profit and Loss Account							
Sales and Other Income	114,124	101,120	77,786	54,262	58,247	38,148	14,533
EBITDA	25,518	17,739	10,333	9,729	13,505	10,926	3,822
Profit After Tax (Pre-minority interest)	15,402	11,274	4,458	5,655	9,380	6,778	1,412
Profit attributable to Shareholders	11,041	8,238	3,190	3,822	6,959	6,778	1,412
Balance Sheet							
Total Assets	153,347	112,674	89,654	77,697	52,948	35,285	24,677
Net Fixed Assets @	112,984	86,255	66,209	54,628	35,415	28,127	21,288
Net Current Assets	34,979	24,075	18,104	19,994	15,992	6,248	3,320
Loan Funds	68,132	45,502	33,548	29,837	10,003	17,881	13,537
Minority Interest	19,811	15,755	13,768	12,102	10,774	-	-
Shareholders' Funds #	65,404	51,417	42,338	35,758	32,171	17,404	11,141
Cash-Flow							
Net cashflow from Operating Activities	20,568	9,023	12,112	2,906	6,475	6,149	3,182
Net cashflow from Investing Activities	(28,321)	(22,739)	(11,328)	(22,830)	(9,474)	(9,487)	(10,845)
Net cashflow from Financing Activities	17,275	12,023	1,788	17,404	7,505	2,580	8,048
Key Ratios							
EBITDA Margin (%)*	22%	18%	13%	18%	23%	29%	26%
PAT Margin (%)**	13%	11%	6%	10%	16%	18%	10%
ROCE (%)***, ^^	15%	14%	8%	11%	26%	31%	15%
ROE (%)****	20%	18%	9%	12%	31%	47%	13%
Net-Debt:Equity^	0.63	0.62	0.45	0.51	0.08	0.95	1.10
Total Debt:EBITDA	2.67	2.57	3.25	3.07	0.74	1.64	3.54
Per Share Data							
Basic Earning Per Share	69.04	54.19	21.78	26.11	47.52	46.29	9.64
Diluted Earning Per Share	62.58	51.84	21.78	26.11	47.52	46.29	9.64
Book Value Per Share	408.97	321.51	289.15	244.21	219.71	118.86	76.09
Dividend Per Share	7.00	6.00	4.00	4.00	8.00	4.00	2.50

@ Includes Capital Work in Progress
# Includes Deferred Tax Liabilities.
* EBITDA Margin as % to Sales and Other Income
^ Net Debt= Loan Funds less cash and liquid investments
^^ Capital Employed = Shareholders' Funds + Min
** PAT (Pre-minority interest) as % to Sales and Other Income
*** EBIT as a % of average Capital Employed
**** PAT (Pre-minority interest) as a % of average equity incl. Minorities

Chairman and CEO's Address

"Our performance during the year validates our business strategy. Multi-location integrated manufacturing together with cost competitiveness and operational efficiencies provides us stability in revenues while maintaining efficiency in cost structures."

Dear Shareholders,

We have had a record year of sales and profitability.

You are aware of the sudden and steep deterioration in financial markets in 2007 which spilled over into the real economy towards the end of 2008. The last financial year was particularly challenging, with a sharp escalation in commodity prices in the first half followed by a crash thereafter. The sudden and steep nature of the fall created panic with massive de-stocking across the value chain. This impacted volumes negatively. With a semblance of stability returning to the market in early 2009, our PET film operating rates were back to normal despite the new capacity in Turkey. We closed the year with a record annual production of 98,973 tons which made us the 4th largest producer of PET films in the world. The Turkey unit is now the largest thin PET film manufacturing facility in Europe.

Despite it being a year of unprecedented developments, we continue to be pleased with our performance and the resilience of our business. While we maintained growth in volumes and profitability, we retained a strong balance sheet.

Our performance during the year validates our business

Pranay Kothari
CEO

strategy. Multi-location integrated manufacturing together with cost competitiveness and operational efficiencies provides us stability in revenues while maintaining efficiency in cost structures. A conservative financial approach has contained the risk on major growth initiatives.

It is important to recognize the distinct advantages of our business. About three-fourths of our revenue is from packaging - primarily of food products, sales of which are largely insulated from economic cycles. The price fixation periods for sales and raw material purchases are largely co-terminus. These aspects, together with a well-diversified regional sales mix provide stability to the business. However, with 53% of our Group revenues still coming from the developed markets of the US, EU and Japan, we remain vulnerable here particularly due to a higher exposure to the industrial segment where the downturn has had a significant impact. A re-orientation of the geographical and product mix during the year has helped us contain the adverse fallout.

Volatility in currency markets, commodity prices and an increase in credit risk have heightened the risk perception. Demand-supply imbalances in the short run resulting from the buildup of new capacities in and a general shift of the industry to Asia could impact margins in the short to medium term.

However, the PET film industry is expected to grow at 6-8% annually with higher rates in Asia offsetting lower growth rates in the developed world. We have a leadership position in the PET film industry which is being strengthened and consolidated through a broad basing of product portfolio, new investments, further steps towards downstream integration and a continued emphasis on operational improvements.

Diversification into related substrates - BOPP and CPP films - will help us leverage our presence in the flexible packaging industry and reduce volatility in earnings.

With these steps, we are confident that Polyplex will remain strong and competitive, even in this challenging environment.

We are carefully investing new capital where appropriate. The progress at our new facility in Bajpur, India, where we are setting up a new PET film line, BOPP film line, PET resin plant and a metalliser, is satisfactory. We expect to commence commercial production by the second half of this financial year. We have also decided to invest in another Silicone coating facility.

We remain confident that our business model would continue to deliver long-term growth to our shareholders. We are grateful for the support and confidence of our customers, employees, suppliers and shareholders.

Pranay Kothari,
Chief Executive Officer

Sanjiv Saraf,
Chairman

India Team

Thailand Team

Turkey Team

COO's Address

2008-09 was a challenging as well as a rewarding year in the history of the Polyplex Group marked by both continuity and change in its business and operations strategy.

The Group continued to implement strategies which would further strengthen its position as a global player in the PET film business, improve its cost position and deliver greater value to the customers through a differentiated offering. Significant progress was also made in achieving the strategic objectives of capturing greater value through forward integration and diversification of its business portfolio. Key milestones and achievements during the year in this continued effort were:

1. Successful startup and stabilization of the new line and debottlenecking of the chips plant in Turkey. This would substantially bring down our operating costs in Turkey through economies of scale.

2. In the last few years most of the investments of the Polyplex Group was directed towards its overseas subsidiaries to mitigate the overall risk of being a single-product company through geographical and market diversification. Considering the long-term growth prospect of Indian economy the company had, in 2007, decided to invest in a new PET film plant with matching resin capacity. Accordingly work was started on our new PET Film Project in India.

3. Vertical startup of two new state-of-in sales of coated films through improvement in operational efficiency, market expansion and premium positioning. This would enable us to continuously increase the share of value-added films in our portfolio.

4. Continued focus on operational excellence through continuous improvement and institutionalization of TPM at our manufacturing locations.

5. Our focus on acquisition of new customers and pushing new product sales as a strategy to drive capacity utilization as well as margins, have started showing results.

6. 2008-09 also marked a significant shift in our strategy with the decision of concentric diversification into other packaging films like BOPP and CPP (in India and Thailand respectively) to leverage customer synergies. Work on these projects is going on in full steam and commercial production is expected to start in the second half of '09-10. These products will not only further diversify our business risks, acting as a nucleus for future growth, but also enable us to position ourselves uniquely as a single-window supplier of packaging films in future.

7. 2008-09 saw the onset of the worst global recession in seventy years. This impacted our capacity utilization in the third quarter of 2008-09. However, the Company's strategy of having a geographically diversified manufacturing and customer base ensured that we managed to sail through the recession with relatively mild impact.

Outlook for 2009-10: Following the worst ever global recession, we are seeing a revival of global economic activity, and we believe the world would soon start its climb back to normal growth. This would mean that the demand for PET film in our key European and US markets would soon start growing. However this demand growth destruction for a year is likely to create a demand-supply imbalance in the short run. This along with risks associated with an increase in raw material prices and temporary diminution of pricing power, is likely to put pressure on margins during 2009-10. To maintain its profitable growth momentum and to meet the challenges the group is focusing on the following key strategic initiatives:

1. The Company would continue to push the productivity and cost envelope further. However changes in the competitive landscape due to the economic crisis would require further sharpening of our value proposition to the customers based not only on cost and service but innovation and customer intimacy. A Centre of Excellence for Flexible Packaging has been established in India to spearhead lean and open innovation initiatives globally. This along with the launch of formal customer engagement processes would further enable the company to sustain long-term win-win relationship with its customers.

2. Consolidating our position as a tier-one and strategic supplier to major global, regional and national converters through a judicious mix of on-shore, off-shore and near-shore offerings.

3.Vertical startup and stabilization of a new Polyester film plant based on an innovative direct melt process.

4. Sliding down the BOPP and CPP learning curve fast to ensure quick profitability.

5. Focus on building competencies that would enable us to create intellectual property and position Polyplex as a provider of innovative products and solutions to its customers.

6. Further expansion of our market in our coating businesses.

7. Leveraging IT initiatives to improve effectiveness of business processes especially in the area of Customer Relationship Management.

8. Emotional integration of a culturally diverse workforce through greater localization, mutual respect and institutionalization of shared value across the Polyplex Group.

In short, we expect the business environment to remain volatile and challenging in the near future but remain confident that, through a combination of continuity and change in our business and operational strategy, we would continue to deliver superior value to our stakeholders.

Ranjit Singh
COO

Management Discussion and Analysis

OVERVIEW

In this document, the terms 'Company' and 'Polyplex' refer to the consolidated operations of Polyplex Corporation Ltd.

Polyplex's business is focused on producing high performance plastic films which are mainly used in the flexible packaging industry. Polyplex is one of the leading integrated producers of Polyester (PET) films in the world. It is in the process of setting up Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film manufacturing facilities. In the recent past, the Company also has ventured into downstream businesses like Silicone Coating and Extrusion Coating.

PET film is made from Polyester resin (chips), which in turn is produced from Purified Teraphthalic Acid (PTA) & Mono-Ethylene Glycol (MEG). The Company produces its own resin.

The Company largely produces films for application in Packaging, Electrical and other Industrial segments like hot stamping foils, thermal lamination, release films, air conditioning ducts etc. The Company produces only Thin films, which account for three-quarters of the total global demand for PET films, and does not participate in some of the other smaller segments like imaging, magnetic media and optical films.

Packaging is the focus business segment for the Company and the Company is now moving into other substrates used in the flexible packaging industry. BOPP and CPP films are Polypropylene based films, which are predominantly used in packaging and certain industrial applications like tapes, labels, thermal lamination and textiles. Flexible packaging companies supply their laminates to consumer product companies for packaging of a diverse range of products like food products, household goods, personal care products etc.

The downstream businesses of Silicone Coating and Extrusion Coating are niche businesses producing release films and thermal laminates respectively.

Polyplex's areas of operation

GLOBAL OPERATIONS

Polyplex has attained a leadership position in the PET films business with manufacturing facilities in India, Thailand and Turkey and a distribution setup in USA. It is also in the process of setting up a distribution company in China.

Polyplex Corporation Ltd. (PCL/ Polyplex India) has a majority ownership of 70% in Polyplex (Thailand) plc., (PTL/ Polyplex Thailand) which in turn holds 100% of Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE/ Polyplex Europa). The Company also has a 66% controlling stake in Polyplex (Americas) Inc. (PA/ Polyplex Americas).

On completion of the ongoing projects in India and Thailand, manufacturing capacities of the various production units are expected to be as follows:

Note: In Polyplex Thailand, the Board of Investment approved capacity is different for PET films (48,000 tons), CPP (plain and metallized film of 15,600 tons) and Extrusion coated films (2 lines of 150 million sq.m. each).

PET FILM BUSINESS

The growth in flexible packaging has over the years shifted the production and usage patterns of PET films. The Company's relevant segments of Packaging, Industrial and Electrical constitute 93% of the total demand in 2008 and the traditional high-end technology segments like Imaging and Magnetic media reduced to only 7% due to developments in digital technology. Polyplex produces only Thin films, which account for three-quarters of the total global demand for PET Films.

Better packaging not only improves the shelf life of the products but is also essential for improving product appeal in a highly competitive consumer goods industry. Flexible packaging reduces the cost of packaging and plays a key role in source reduction on the principle of 'use less waste in the first place' in comparison with conventional packaging. This has resulted in shift from rigid packaging to flexible packaging which has ensured higher-than-GDP growth in the flexible packaging industry across the globe. PET film, being a higher-end substrate within packaging, has grown at an average of about 9.5% per annum during the last 5 years which is more than other substrates. An increase in the purchasing power in the developing countries has brought with it a large rise in the per capita consumption of packaging material. As a result, Asia (excluding Japan & Korea), is the largest market for PET films with 34% of the PET films produced being consumed in this region. However, per capita consumption of packaging material in developing countries is still very low as compared to the mature markets, which should help in sustaining the growth rates. The changing demographics of faster growing younger population and urbanization are also contributing to the growth in developing countries. The other drivers of demand growth in these regions are the increase in the share of organized sector in consumer products and retailing, small serve packs, increasing consumerism and the resulting need for better packaging.

Demand for packaging is also quite resilient as it relates to consumption of food products, household goods, personal care products etc., which are to a large extent non-discretionary in nature insulating the industry from the global economic recessionary environment. While growth rates in packaging have slowed down, some of the other segments like industrial have witnessed contraction in demand in 2008. Electrical/ electronic has maintained its pace of growth due to the demand from flat panel display screens used in LCDs and electronic displays.

Source: Company estimates

Similar to the shift in demand, on the supply-side as well, most of the new capacities are being added in low-cost developing countries. Most of this new capacity is also focused on the packaging segment, with an emphasis on high productivity and low operating costs. This has adversely impacted the traditionally large producers of PET film operating with high cost structures, who are now emphasizing emerging niche technologies in PET films like films for LCDs, solar panels and specific high-end applications within packaging. While trade defence measures like anti-dumping and countervailing duties have been in use for the last two decades, they are unable to address the inherent problems of low-productivity assets operating in the developed countries producing films for traditional applications. We understand that no new Thin film line has been set up in the US or EU since 2003 increasing the import intensity in these regions.

The financial year 2008-09 has been an exceptional year, witnessing a strong increase in demand in the first half, followed by a sharp contraction. Most of the demand contraction was on account of inventory correction, especially in the packaging segment. However, as a result of the global economic slowdown, there has been erosion in the demand of the end-products of the Industrial and Electrical applications.

Source: Company estimates. Thin film: 50 micron (μ) and below

The global demand-supply balances mask significant differences within regions, which are getting more pronounced in recent years. Out of the total new capacity added in the last 5 years, 59% has been added in China itself, which is significantly higher than the accretion in demand there. Since large exports from China are still not visible, it has resulted in below-average operating rates there. Operating rates in developed countries in the western world also tend to be lower than the average due to the competitive market position. On the other hand, most of the new assets in the rest of Asia would be operating at above average operating rates.

We expect PET film growth rates to be higher than the global economic growth rates. Some of the capacities being added across the globe over the next 2 years had been planned assuming a continuation of the higher pre-recessionary growth rates. This could depress the operating rates of the PET film lines after the commencement of these new capacities till the time that demand growth catches up with the increase in production capacity. Owing to the increasingly regional nature of the business, the demand-supply situation would vary across regions and some regions like China are expected to witness relatively lower operating rates. Companies with better quality, access to international customers and a better supply chain model stand a better chance of emerging as winners from a potential slowdown.

BOPP AND CPP FILMS BUSINESS

The BOPP and CPP businesses are also witnessing similar dynamics. Growth in Asia especially China and India has been strong in the past and is expected to continue in the long term. Bulk of the capacity is now in the developing countries. However, these businesses are more regional in nature and therefore the regional demand-supply balances are more relevant. We expect the Company to benefit from its expected low cost of production from the planned high productivity BOPP line in India and CPP line in Thailand as the long-term fundamentals of these investments continue to be good.

SILICONE COATING AND EXTRUSION COATING BUSINESS

The Silicone coating business produces polyester release liner, which is used for carrying adhesive labels until such adhesive labels are removed from the release liner and are applied to the final surface. Other applications of siliconised polyester release liner include release liner for adhesive tapes, cast polymer materials, electronic applications, roofing and other industrial uses. At present the Company has one coater at its plant in India.

The Extrusion coating business involves the combination of PET film with an extruded adhesive layer to produce a thermal lamination film. Thermal lamination film is used for the application of plastic film to the surface of another item like paper in order to improve the durability and give it an aesthetic appeal. The main uses of this are in teaching aids, maps, certificates, posters, menu cards, book covers, carton board boxes and food packaging. The Company has one extrusion coater located in Thailand.

USA is the main market for the sales from these businesses.

INDUSTRY IN INDIA

India is one of the largest and fastest growing markets in the world for flexible packaging. The drivers for growth in India are similar to those of other developing countries with additional consumption coming from the widespread usage of small-serve packs. However, since the per capita consumption of flexible packaging in India is amongst the lowest in the world, the growth in India has been higher than most other regions.

The PET film market in India is estimated about 220,000 tons for the year under review, with bulk of the demand coming from Thin films. Considering the large market base and the expected annual growth rate of about 15%, we estimate that 25-30% of the additional demand shall originate in India making it an attractive market. The total capacity in India is 290,000 tons, with the surplus capacity generally being exported to other regions.

The BOPP market in India is estimated at about 170,000 tons in 2008-09 against a capacity base of 210,000 tons. Demand is expected to grow at more than 15%. Tape and textile are important segments of the market which have grown at a faster pace due to conversion from other substrates. Traditionally in India the penetration of BOPP in packaging was low which has improved over a period of time resulting in higher growth in BOPP.

Due to the high attractiveness of the domestic market and the general export competitiveness of the local industry for both PET and BOPP films, large new capacity was announced by several players leading to a likely bunching of the capacity addition. This could result in a contraction of the margins in domestic market in the short to medium term. With the potential of increase in exports from India coupled with the expected growth in demand, margins should improve in the medium term.

STRATEGY

Polyplex seeks to maximize long-term returns to the shareholders by following a differentiated approach and proactively responding to anticipated changes in the business and environment. The key elements of this strategy have been:

- Manufacturing or distribution presence in the important regions for an efficient delivery model
- Integrated manufacturing facilities with high productivity assets to ensure cost competitiveness
- Attaining global excellence in all aspects of the operations
- Increasing the proportion of specialty product revenues
- Accelerating investment in niche downstream segments to exploit synergies in operations
- Fostering sustainable growth through diversification into related films to leverage existing relationships

The results of this strategy are exhibited in the successful growth achieved by the Company over the years. Despite the challenging environment, the Company is continuing to grow and is well poised to create more long-term value for the shareholders.

PERFORMANCE DURING THE YEAR

All discussion here is in the context of the consolidated performance of the Company.

SALES AND OPERATIONS

The Company has a large international presence with active sales in 75 countries across the world. The Company has a large customer base of about 1200 customers and low customer concentration. Its top 10 customers contributed 29% of total revenues in 2008-09. 92% of the Company's revenues were from PET films in

Region-Wise Breakup of Sales

Break-up of Sales from Operating Companies

In 2008-09 the total PET film production increased with the commencement of operations from the new line in Turkey. The difficult market conditions coupled with the timing of the new capacity addition, resulted in a decline in the operating rate, though by the end of the financial year, the operating rates were in line with historical levels.

The Company was also able to successfully stabilize the operations of its recent new ventures in Silicone coating and Extrusion coating.

FINANCIAL PERFORMANCE

A snapshot of the Income Statement for the last two years is given below:

(Rupees in Lacs)	2008-09		2007-08	
Sales & Other Income	114,124	100.0%	101,120	100.0%
Manufacturing Expenses (Adjusted for change in stock)	68,742	60.2%	68,875	68.1%
Operating and other Expenses	19,864	17.4%	14,507	14.3%
EBITDA	**25,518**	**22.4%**	**17,739**	**17.5%**
Interest & Finance Charges (Net)	3,528	3.1%	1,941	1.9%
Depreciation and Amortization	5,402	4.7%	3,865	3.8%
Income Before Income Tax (Pre-Exceptional Items)	16,588	14.5%	11,933	11.8%
Exceptional Items	-	0.0%	(152)	-0.2%
Provision for Income Tax	1,186	1.0%	507	0.5%
Net Income (Before Minority Interest)	**15,402**	**13.5%**	**11,274**	**11.1%**
Minority Interest	4,361	3.8%	3,036	3.0%
Net Income (After Minority Interest)	**11,041**	**9.7%**	**8,238**	**8.1%**

There is a 37% and 34% increase in the Net Income before and after minority interest respectively in the year under review.

1. Sales and Other Income

(Rupees in Lacs)	2008-09	2007-08	% Change (Y/Y)
Sales & Operational Income	112,063	100,128	12%
Other Income	2,061	993	108%
Total	**114,124**	**101,120**	**13%**

The 12% increase in Sales and Operational Income over the previous year is mainly due to higher sales of PET films and Coating businesses which was partially offset by lower sales of PET resin. A part of the increase is also attributable to the depreciation in INR, which has increased the consolidated revenue in INR terms.

Sales and Operational Income comprises of 92% from PET Film (84% in 2007-08), 3% from PET Chips (14% in 2007-08) and 5% from Coating businesses and other sales (2% in 2007-08). With the commencement of the new line in Turkey, PET film volume increased by about 10%. This coupled with better price realization and favorable

currency movement, resulted in PET film sales to increase by 22%. Decrease in PET Chips sales is attributed to the lower availability of surplus PET chips for merchant sales due to increased captive requirement in Turkey. Chips sales declined by 80% vis-à-vis last year. The stabilization of the Silicon Coating and Extrusion Coating businesses contributed positively to the turnover.

Significant increase in Other Income is largely on account of foreign exchange fluctuation.

2. Manufacturing Expenses

(Rupees in Lacs)	2008-09	2007-08	% Change (Y/Y)
Raw Materials Consumed (Incl. Job Work Charges)	51,873	57,271	-9%
Power & Fuel	9,085	6,191	47%
Packing Material Consumed	4,174	3,435	22%
Stores & Spares Consumed	2,264	1,669	36%
Repairs and Maintenance	724	497	46%
Total Manufacturing Expenses	**68,119**	**69,063**	**-1%**
Stock Accretion / (Decretion)	(622)	188	-431%
Total Manufacturing Expenses (Adjusted for Stock Accretion / (Decretion))	**68,742**	**68,875**	**0%**
as a % of sales and other income	*60.2%*	*68.1%*	

The increase in production capacity at Turkey and INR depreciation contributed to the increase in the total manufacturing expenses. However, during the year, total manufacturing expense as a percentage of sales and other income declined from 68.1% in 2007-08 to 60.2% in 2008-09.

In spite of the increase in sales volume, raw material consumed declined by more than 9%. The year witnessed high volatility in the raw material prices with an overall decline by 4%-9% across units. The shift of low-margin PET resin sales to PET film sales, increase in the sales of downstream products and time lag between movement in raw material prices and finished products contributed to the reduction in the raw material consumption as a percentage of sales. This decline was partially offset by the depreciating INR against other major currencies.

During the beginning of the year there was an increase in oil prices which brought about a similar increase in fuel and power prices. However, despite the subsequent reduction in oil prices, there was no significant decline in the fuel and power prices. On a year-on-year basis, fuel rates increased by 20% - 25% across units and power rates increased by 3% - 43% across units in their respective currencies.

Other manufacturing costs like packing cost, stores & spares and repair and maintenance have also increased mainly due to the rise in the scale of operations. There is also a reduction in the inventory value during the year.

3. Operating and other Expenses

(Rupees in Lacs)	2008-09	2007-08	% Change (Y/Y)
Personnel Expenses	7,778	5,693	37%
Administrative Expenses	4,155	3,047	36%
Selling Expenses	7,618	5,607	36%
Other Expenses	312	160	96%
Total Operating and other Expenses	**19,864**	**14,507**	**37%**
as a % of sales and other income	*17.4%*	*14.3%*	

Total operating expense as a percentage of sales and other income increased from 14.3% in 2007-08 to 17.4% in 2008-09 mainly due to the increase in scale of business, inflationary factors and INR depreciation.

Increase in personnel expenses was mainly driven by the new line start-up in Turkey and an overall increase in the wage bill. SAP upgradation in India increased the IT outlay for the year, which is included in administrative expenses. There is also a disproportionate increase in selling expenses largely resulting from the increase in freight costs and sales commission. This is mainly attributable to the change in regional sales mix.

4. Interest & Finance Charges

(Rupees in Lacs)	2008-09	2007-08	% Change (Y/Y)
Interest Expense	3,365	1,935	74%
Bank & Other Financial Charges	313	179	75%
Total Interest and Finance Charges	**3,678**	**2,114**	**74%**
Less: Interest Income	(150)	(173)	-13%
Net Interest and Finance Charges	**3,528**	**1,941**	**82%**

While there is a 50% increase in the total debt, there is a 74% increase in the total interest and finance charges. The interest expense till the commencement of operations of a project is capitalized as part of the cost of the project and is thereafter charged as an expense item in the Income Statement. Therefore, due to the commencement of new operations in Thailand and Turkey there is an increase in the interest expense. The increased size of operations also resulted in an increase in working capital borrowings. This was partly offset by the reduction in the interest rates on foreign currency denominated long-term loans. The average short-term interest rates during the year were higher than the previous year.

5. Liquidity and Capital Resources

The Company ensures access to sufficient funding at acceptable costs to meet the business needs and financial obligations through business cycles. The Company relies on cash from operations and short-term and long-term debt for meeting its requirements.

During the year, the global credit markets witnessed unprecedented volatility which has affected both the availability and the cost of our funding. In this period, apart from the normal operations, the Company also had large financial commitments for its ongoing investments in India and Thailand. The financial market turmoil only resulted in an increase in the credit spreads for some of the long-term funding but did not result in any delay on the projects.

The Company continues to maintain healthy liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments, aggregated to more than INR 350 crores, as at the end of the reporting period.

(Rupees in Lacs)	2008-09	2007-08
Net Cash Flow From Operating Activities	20,568	9,023
Net Cash Flow From Investing Activities	(28,321)	(22,739)
Net Cash Flow From Financing Activities	17,275	12,023

For the year under review, cash-flow from operating activities was INR 206 crores, an increase of 127% over 2007-08. Cash operating profit was INR 258 crores (INR 174 crores in 2007-08), an increase of 49%. This was partly used in additional working capital requirement of INR 53 crores (INR 84 crores in 2007-08).

The cash generated was used in investments in fixed assets and the available surplus funds were deployed in short-term investments. Total cash used in capital expenditure was INR 247 crores in 2008-09 (INR 257 crores in 2007-08). This was mainly used for the ongoing projects in India and Thailand and the completed project in Turkey. During the year, INR 34 crores was invested in short-term investments (net inflow of INR 38 crores in 2007-08). Payment to minorities was INR 3 crores (INR 11 crores in 2007-08). A minor amount in the form of interest and dividend income was also received during the period.

During the year INR 257 crores was borrowed from long-term and short-term sources (INR 172 crores in 2007-08). The Company serviced debt of INR 74 crores in 2008-09 (INR 68 crores in 2007-08) and paid a dividend (including distribution tax) of INR 11 crores in 2008-09 (INR 7 crores in 2007-08). In 2007-08, there was an inflow of INR 21 crores from the preferential allotment of equity shares to Sponsors. At the same time, the Company had also issued warrants of INR 2 crores on a preferential basis, whereby the warrant-holders were entitled to purchase shares at a price of INR 152 equity share. These warrants have lapsed with effect from April 30, 2009.

Change in currency fluctuation reserve arising on consolidation of the foreign subsidiaries in INR terms resulted in reduction of INR 22 crores.

Total debt (including interest accrued) as on March 31, 2009 was INR 683 crores, an increase of INR 221 crores since March 31, 2008. The proceeds from the increased borrowing have been utilized for expansion project, increased working capital requirement and general corporate purposes. Repayment schedule of total debt as on March 31, 2009 is given below:

PROJECTS UNDER IMPLEMENTATION

Polyplex Corporation Ltd. is in the process of setting up a state-of-the-art PET film and BOPP film facility at Bajpur in Uttarakhand, India to cater to the growing needs of these products in India. In order to remain cost competitive, the technology being deployed is focused on high productivity. Backward integration into PET resin and forward integration into Metallisation shall further reduce the cost of production. The location of the facility in the state of Uttarakhand in India provides certain fiscal benefits.

The project, which was planned to start commercial production in the first half of 2009-10, is behind schedule by about a quarter. The total investment outlay for the project is INR 515 crores (excluding working capital) which is substantially higher than the budgeted cost of INR 440 crores. The increase is largely on account of depreciation of INR against USD and Euro. Since the project is partly financed in foreign currency, the impact of the INR depreciation on the cash flows is limited. Some of the increase in the project cost is also attributable to the delay in the startup date and higher than budgeted civil works cost. As on June 30, 2009, 66% of the project cost had been spent. The physical progress of the project is satisfactory.

The Company has also undertaken a project to setup a CPP film line in Thailand with an investment of INR 72 crores (USD 14.7 million) excluding working capital. The investment was based on the premise of broad-basing the product portfolio and the advantages resulting from a high capacity line and synergies in marketing of the products. The project is expected to start commercial production in the third quarter of 2009-10, slightly later than the planned startup in the first half of 2009-10.

HEALTH, SAFETY AND ENVIRONMENT

Health, Safety and Environment play a central role in the Company's operations.

The Company strives for continuous improvement in safety and health by practicing better work procedures, continuously improving the working conditions, monitoring and controlling work place hazards, creating awareness through active involvement, participation and continuous training. All the Company's locations have attained the Occupational Health and Safety management certification (OHSAS 18001: 2007) and diligently follow the guidelines that have been set out.

The Company is also committed to continually improve its environmental performance and to contain and reduce pollution from its operations by optimum utilization of energy and other resources, waste management through recovery, recycle and re-use of material, reduction in emissions and effluents, enhancement of awareness amongst the employees through effective communication and training.

The Company has been following best practices relating to Environment, Health and Safety and has the following certifications in this regard:

SYSTEMS IMPLEMENTED		Polyplex India	Polyplex Thailand	Polyplex Europa
ISO 14001:2004	Environment Management System	Certified since 2002	Certified since 2004	Certified since February, 2009
OHSAS 18001:2007	Occupational Health & Safety Management System	Certified since 2004	Certified since June, 2008	Certified since February, 2009
BRC	Food Safety Management System	NA	NA	Certified since November, 2006
ISO 232001:20005	Food Safety Management System	Certified since May, 2008	Under implementation	NA

HUMAN RESOURCES

Polyplex's workforce of over 1100 employees is a blend of diverse nationalities and cultures.

Polyplex continues to invest in the development of its leadership, managerial & technical capabilities. Safety training and enhancing technical competence remain as the two most significant areas that are addressed through the training programs. Leadership Development programs are directed at developing people in consistence with the succession plan for senior management. Another important feature for developing people at Polyplex is providing cross functional inputs for improving the synergies across functions and to develop appreciation of other functions.

The Company is embarking upon the creation of a process-centric organization. This initiative, which is being launched at the new manufacturing facility in India, coupled with focused training efforts will form the foundation of this new structure. The company's multi-skilling approach will provide greater job enrichment to its employees and, once fully institutionalized, this initiative is likely to be redeployed at other locations as well after refining the process based on the learning from the experience there.

Polyplex and its employees are aware of the social responsibilities and have made contributions to various causes including natural calamities. At its plant location Khatima, in India, the Company runs a school which provides equal educational opportunities to children from all sections of society. Blood donation camps are often held at its various facilities.

Industrial relationships have been cordial across all manufacturing locations.

School at Khatima, India

LEVERAGING INFORMATION TECHNOLOGY

During the year, the Company successfully implemented its IT initiative "Tie-In". Under the initiative, the latest version of SAP ERP software has been implemented in India, which is a precursor to a global roll-out. The Company is now working on the implementation of a sales CRM system and a business warehouse to aid analysis for better decision making. The different operating locations and Corporate head office have also been connected through a secure MPLS (Multiprotocol Label Switching) network.

FUTURE OUTLOOK AND PLANNED INVESTMENTS

The slowdown in the global economic growth and heightened risk in the business environment calls for increased caution in committing resources for growth. Most new capacities which are expected to come on stream in the next 1-2 years were based on the premise of continued growth in demand. The changed economic environment and demand growth slowdown shall alter the demand-supply balance. We had earlier announced setup of a new PET film line, Chips and Metalliser plants in Thailand to capture the growth in the regional markets of South-East Asia and Far East. We have decided to defer these investments till there is better visibility on demand growth.

The Company remains confident that with its strengths and superior performance it should be able to withstand any fallout of the adverse economic and industry environment. The Company is well poised to capture growth opportunities in all its business segments within the confines of business prudence.

The Company has decided to further invest in the Siliconising business by setting up an additional coating line in Thailand or Turkey.

RISKS

COMPETITION AND BUSINESS CYCLES

Demand-supply balance is the major factor influencing industry cycles. This balance in PET films could vary across regions as well as product categories notwithstanding large international trade flow. The changing demand-supply balance and resulting fluctuation in the operating rates brings about volatility in margins which is an intrinsic feature of this business. Overcapacity results in a decline in the spread between raw material and selling prices (value addition). While the value additions in a region varies in a limited band, the cost structures between manufacturers could be significantly different because of differences in asset quality, productivity levels and the inherent cost structure of various countries.

In the short to medium term, there is a likelihood of excess supply due to the coupled effect of the startup of new capacities and deceleration in demand. We believe the Company's business model is designed to moderate volatility in earnings and build long-term competitiveness based on:

- State-of-the-art manufacturing assets in low-cost countries.
- Geographically distributed manufacturing according better delivery capabilities, which provide better access to the global markets and a more balanced sales profile across regions, customers and currencies.
- Integrated manufacturing with co-location of PET resin production as well as downstream offline coating lines.
- Broad-basing of product lines with diversification into BOPP and CPP films, enabling the Company to offer a more complete package to the converting industry.
- Increasing the proportion of specialty product revenues.
- Combination of different substrates, off-line coating of films and specialty films, which have different demand-supply conditions, helps in moderating the fluctuations in overall margins.
- A concerted focus on productivity and cost optimization.

VOLATILITY IN COMMODITY PRICES

Since the raw material for PET films is a downstream derivative of crude refining, large movements in crude prices tend to have an impact on the prices of our raw material as well as the finished product. As there are several intermediate commodities between crude and PET films, the value addition over crude oil is quite large and the demand-supply interplay of these various intermediate commodities also plays an important role. These raw material movements accentuate or dampen the volatility in the margins resulting from the movement in operating rates.

The price fixation for both purchase and sales is generally short-term in nature and therefore the risk associated with timing mismatches is largely eliminated. However, a significant and sustained one-sided movement could result in substantial inventory gains or losses. The raw material price movement is also common for all participants of the industry and does not put us in a materially advantageous or disadvantageous position vis-à-vis our competitors.

The year gone by had witnessed an unprecedented movement in commodity prices across the value chain. During the first half of 2008-09, there was a significant run-up in the prices of our products as well as raw material which caused large inventory build-ups across the value chain. With the sudden and steep plunge in commodity prices in the second half, a huge inventory correction took place which slowed down our sales for about two quarters. Even though our value addition during this period was largely maintained, we incurred inventory losses.

The prices of our downstream products like silicone coated and thermal laminated films are less susceptible to changes in raw material prices and reduce our overall portfolio risk.

A historical depiction of the Industry raw material prices and PET film prices for the Far East region is given below:

PET Film & PET Resin Price Trend (Far East)

Source: Company estimates

TRADE DEFENCE MEASURES

International trade in PET film has been subjected to trade defence measures for more than two decades through the imposition of anti-dumping duties or countervailing duties.

Anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the home market of the exporters. The important markets adopting this measure are the EU and US against several countries. Countervailing duty (CVD) can be imposed if the government or any government agency provides any subsidy to any exporter of such country. Such tariff measures result in an increase in the delivered price of the goods, making it difficult for the targeted suppliers to compete in those markets. In both cases injury to domestic industry in the importing country has to be established.

In the recent US anti-dumping petition against producers of PET film from Thailand, China, Brazil and UAE, duties were imposed against China, UAE and Brazil in the range of 3.5% to 76.7%, but exports from Thailand were found to be not causing any injury to the US domestic industry. This has lead to non-imposition of any special duties on exports from Thailand to USA. Exports from India are subject to anti-dumping and CVD duties, totaling 6.4% - 36.4% in EU and 7.6% to 65.59% in the US, apart from the normal import duty rates. Polyplex's exports from India to the US and EU are subject to anti-dumping and CVD duty rates of 8.6% in EU and 7.6% in the US.

The Company undertakes all safeguards to insulate against the risk arising out of anti-dumping actions and other trade barriers imposed by the importing countries. A geographically well-diversified sales portfolio also helps mitigate the adverse fall-out of such an action, if any.

LIQUIDITY

The Company ensures access to sufficient funding at acceptable costs to meet the business needs and financial obligations through business cycles. The Company relies on cash from operations and short-term and long-term debt for meeting its requirements.

During the year under review, the global credit markets witnessed unprecedented volatility which has affected both the availability and the cost of our funding. In this period, apart from the normal operations, the Company also had large financial commitments for its ongoing investments in India and Thailand. The financial market turmoil only resulted in an increase in the credit spreads for some of the long-term funding but did not result in any delay on the projects.

The Company continues to maintain healthy liquidity for its operations with a close watch on the debt service and leveraging ratios. Cash and equivalents together with undrawn credit lines (excluding project financing) and liquid investments, aggregated to more than INR 350 crores, as at the end of the reporting period.

The Company periodically undertakes "Stress" tests to evaluate the potential impact of an adverse economic and industry environment. The most recent analysis indicates that the Company's cash from operations along with planned borrowings shall be more than adequate even in a "Stress" scenario with further recourse available to large unutilized credit lines. Despite the expansions undertaken, the Company's level of debt continues to be within prudent norms of leveraging. The Company's debt service coverage ratio based on the projected "Stress" scenario is also within accepted norms.

EXCHANGE RATE AND INTEREST RATE RISK

It is the Company's policy to minimize the structural risks by building natural cashflow hedges in order to reduce the volatility associated with foreign currency rate changes. As a process, the currency of borrowing is matched to the currency of operational surplus maintaining a conservative margin on the projected inflows in that currency. All remaining mismatches are managed by the Company through a careful process of identification, monitoring and hedging by using forwards and 'plain vanilla' options such that the maximum potential loss is within a defined risk limit. As there is a natural hedge available for all the long-term borrowings, the Company does not cover the exchange rate risk on these liabilities. Therefore, the foreign exchange translation gain/ loss on these borrowings, as reported in the financial statements, may not have a corresponding impact on the cash flows of the Company as the payments for these loans shall be met out of future receivables in the same currency.

The main currencies of borrowing for the Company are USD, Euro and INR. The interest rates in USD and Euro while generally being volatile have been largely favourable to the Company for the last 5 quarters. The Company has also started shifting some of its floating rate debt to fixed rate in order to have a more balanced portfolio which would be less susceptible to any increase in interest rates. Most of the INR debt is floating in nature. Out of the total debt portfolio, as on March 31, 2009, 89% was floating in nature.

CREDIT RISK

The Company faces a credit risk on its receivables with an average credit period during 2008-09 of 65 days as compared to 75 days in 2007-08. With over 1200 customers, the Company has a well-diversified credit exposure with the top 10 customers constituting only 29% of the total revenues. Wherever possible, the Company prefers to secure its risk either through trade instruments or credit insurance. The changes in the economic and financial environment resulted in a general deterioration of the credit quality and a reduction in the credit insurance limits available for our customers. This has constrained our sales to some extent and also increased the overall risk on the portfolio. We believe that there would be a gradual stabilization in the credit markets. However, till such time the Company continues to maintain a cautious approach on credit risk.

PROJECT IMPLEMENTATION RISK

Risks associated with the implementation of new projects are inherent to the business. Any delay in the startup of the projects or significant project cost overruns or the inability to stabilize production from the new investments could have a materially adverse impact on the performance and cash flows of the Company. The Company's expertise in implementing similar projects and appropriate insurance products partly mitigates this risk.

COUNTRY RISK

For Polyplex, the installed capacity of films in Thailand is twice that of India. Further, Polyplex Thailand has undertaken major investments in Turkey whereby the current installed capacity in Turkey is the highest in the group. Therefore fortunes for the parent company in India are intricately interwoven with the success of the manufacturing operations in Thailand and Turkey. Based on the Company's experience so far, as well as that of a whole spectrum of foreign owned businesses present in Thailand and Turkey for a long time, it would appear that the risks are not significant. Though some political problems were faced during the year both at Thailand and Turkey, it has had almost no impact on business activities. In the event these problems escalate, there may be some impact for a short duration. However, no adverse long-term impact is envisaged.

With exposure now being spread to three countries, the overall risk for the Company stands well diversified.

OTHER RISKS

Other key risks include natural disasters, machinery breakdowns, product and public liabilities. As these risks are largely insurable, the Company follows a risk-averse philosophy of transferring these to Insurance companies to the extent that it is commercially viable.

Other factors which may effect our performance, earnings and liquidity are plant failures; legal cases and proceedings; developments or assertions by or against us relating to intellectual property rights; large claims from customers due to product quality deficiencies; disruptions in transportation, utility services, IT infrastructure and ERP systems; substitution of our products by other products; employee work stoppage at plants; changes in government regulations on the use of plastics, labour laws, taxation etc.

CAUTIONARY STATEMENTS ABOUT FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements which may be identified by their use of words like "plans," "expects," "will," "anticipates," "intends," "projects," "estimates" or other words of similar meaning. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. For some of the important factors that could cause the Company's actual results to differ materially from those projected in any such forward-looking statements, see the Risk Factors discussion set forth earlier in this section.

Board of Directors and Corporate Information

Board of Directors

Shri Sanjiv Saraf – Chairman
Shri S.G. Subrahmanyan – Vice Chairman
Shri Brij Kishore Soni
Shri Ravi Kumar – Nominee Director - IDBI Bank Ltd.
Air Chief Marshal O.P. Mehra (Retd.)
Shri Sanjiv Chadha
Dr. Suresh Inderchand Surana
Shri Pranay Kothari – Executive Director
Shri Ranjit Singh – Whole Time Director

Group C.F.O.
Shri Manish Gupta

Company Secretary
Shri A. K. Gurnani

Corporate Office
B-37, Sector -1, NOIDA,
Gautam Budh Nagar,
Uttar Pradesh – 201 301

Registered Office
Lohia Head Road,
Khatima – 262308
Distt. Udham Singh Nagar,
Uttarakhand

Works
1.Lohia Head Road,
Khatima – 262 308
Distt. Udham Singh Nagar
Uttarakhand

2.Plot No.227 MI-228MI
Banna Khera Road
Village Vikrampur,
Tehsil Bajpur – 262 401,
Distt. Udham Singh Nagar,
Uttarakhand

Auditors
Lodha & Co.,
Chartered Accountants

Bankers
State Bank of Patiala
HDFC Bank Limited
IDBI Bank Limited
State Bank of Hyderabad
State Bank of Mysore
Axis Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Bayerische Hypo-und Vereinsbank AG

Registrars and Share Transfer Agents
MCS Limited
F-65, Okhla Industrial Area
Phase - 1
New Delhi – 110 020

DIRECTORS' REPORT

Your Directors have pleasure in submitting the Twenty–fourth Annual Report and Audited Accounts for the year ended March 31, 2009.

1. Financial Highlights and Operations

The stand-alone financial performance of the Company for the year ended March 31, 2009 is summarized below:

(Rs. in Lacs)

	2008-09	2007-08
Earnings before Interest, Depreciation and Tax (EBIDTA)	**4,207.92**	3,331.72
Less : Interest & Finance Charges (Net)	**650.63**	698.95
Less : Depreciation	**845.38**	821.42
Profit before Tax	**2,711.91**	1,811.35
Less: Exceptional Item	**0.00**	151.87
Profit before Tax but after exceptional item	**2,711.91**	1,659.48
Tax expenses & prior period adjustment	**999.38**	422.95
Profit after Tax	**1,712.53**	1,236.53
Add : Surplus brought forward	**5,490.06**	5,501.14
Profit available for Appropriations	**7,202.59**	6,737.67
Appropriations		
Transfer to General Reserve	**172.00**	125.00
Proposed Final Dividend	**1,119.46**	959.54
Corporate Dividend Tax	**190.25**	163.07
Balance surplus carried to Balance Sheet	**5,720.88**	5,490.06

2. Consolidated Working Results (Under Indian GAAP)

(Rs. in Lacs)

	2008-09	2007-08
Net Sales and other income	**1,14,123.61**	1,01,120.29
Profit before Interest, Depreciation and amortisation	**25,518.10**	17,738.74
Profit before Tax	**16,588.05**	11,781.33
Provision for Tax & prior period adjustment	**1,185.99**	507.35
Profit after Tax	**15,402.06**	11,273.98
Less : Minority Interest	**4,360.69**	3,035.81
Profit after Tax and Minority Interest	**11,041.37**	8,238.17
Earnings Per Share of Rs.10/- Each (Rs.) (Basic)	**69.04**	54.19
Earnings Per Share of Rs.10/- Each (Rs.) (Diluted)	**62.58**	51.84

3. Year in Retrospect

Despite the exceptionally challenging environment, the Total Income (consolidated) during the financial year under review was Rs. 1141 Crores as compared to Rs. 1011 Crores in the previous year, a growth of 13%. At the same time, the consolidated EBITDA margin of the Company also improved from 17.5% to 22.4% and the Company has posted a record consolidated Net Profit after Tax (after minority interest) of Rs.110 crores, an improvement of 34% over the previous year.

The Company successfully commenced operations of its second line in Turkey. The operations of the Silicone coating business in India and the Extrusion coating business in Thailand have stabilised.

The progress on the expansion project in India (PET film and BOPP film lines) and Thailand (CPP film line) is satisfactory.

More details on operations and a view on the outlook for the current year are given in the 'Management Discussion & Analysis Report', which forms part of the Annual Report.

4. Dividend

The Board has recommended a Final Dividend of Rs 7/- per share (tax free in the hands of shareholders), which would be paid after its approval by the shareholders in the ensuing Annual General Meeting.

5. New projects at Bajpur, District Udham Singh Nagar, Uttarakhand, India

Company's projects to manufacture PET Film, BOPP film together with Chips Plant for captive consumption and Metallizer at Bajpur, District Udham Singh Nagar, Uttarakhand are progressing well and are expected to be completed by the end of current calendar year. Directors confirm that the funds raised in October, 2007 by way of issue of shares on preferential basis have been utilized to part finance the aforesaid projects.

6. Subsidiary Companies

A large proportion of your Company's consolidated revenues and earnings pertain to the investments in subsidiaries outside India. The performance of the subsidiaries during the year has been satisfactory. A new PET film line was commissioned in Turkey and Metallisers were added at both Turkey and Thailand. These new operations are operating at reasonable level. The extrusion coating business at Thailand also stabilized during the year.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies is attached.

7. Consolidated Financial Statements

Audited Consolidated Financial Statements for the year ended March 31, 2009 under Indian GAAP are attached.

8. Directors' Responsibility Statement

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000, your Directors confirm that :-

i) In the preparation of the annual accounts, the applicable accounting standards have been followed;

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 on March 31, 2009 and of the profit of the Company for the year ended on March 31, 2009.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

9. Other Statutory Information

Information as required by Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached.

Particulars of employees as required to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts, excluding the statement of particulars of employees, are being sent to all the shareholders of the Company. Any shareholder interested in obtaining a copy may write to the Company Secretary of the Company.

10. Directors

Shri Sanjiv Chadha and Shri Sanjiv Saraf retire by rotation and being eligible have offered themselves for reappointment.

Shri Pranay Kothari's tenure as Whole Time Director expires on September 6, 2009. Your

Directors have proposed his appointment as Whole Time Director for a further term of three years w.e.f. September 7, 2009.

11. Auditors

The Company's Auditors M/s. Lodha & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, are willing to be re-appointed.

12. Depository System

Your Company's equity shares are being traded in 'demat' form since April 30, 2001. Shareholders of the Company who are still holding shares in physical form are advised to get their physical shares dematerialised by opening an account with one of the Depository Participants.

13. Acknowledgement

Your Directors wish to place on record their appreciation of the wholehearted and sincere co-operation the Company has received from the various departments of Central/State Governments, Financial Institutions and the Bankers to the Company. Your Directors also wish to place on record their appreciation of the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

Place : Noida
Date : August 21, 2009

Sanjiv Saraf
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

(Additional information given in terms of Notification 1029 of 31-12-1988 issued by the Department of Company Affairs)

A. CONSERVATION OF ENERGY:

- New energy efficient chiller installed resulting in power saving of 18500 KWh per month.
- Two condensing and one chilled water pump replaced in Utility area with energy efficient pumps, resulting in saving of 13000 KWh per month.
- The process of removal of Aldehydes is used glycol has been changed, resulting in estimated saving of Rs 2.25 Lacs per annum on power and fuel consumption.
- Installing a Variable frequency drive in one AHU resulting in saving of 4300 KWh per month.

B. RESEARCH & DEVELOPMENT (R&D)

- High matte and metallised matte films introduced for specialised packaging applications.
- White opaque film developed for packaging and industrial applications.
- Coated clear films developed for specialized industrial applications.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- Process for checking Magnesium Acetate in film developed.
- Recipe for coating established with modified version for long term usability of solution.
- In-line coater installed and commissioned successfully on one line adding one side coated and one side corona treated film to the product portfolio.
- New silica mill commissioned for proper dispersion of silica with less processing time during slurry preparation.
- Thicker micron film with low haze developed with special resin for Siliconised films.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earned : Rs. 6310.63 Lacs
(Previous Year - Rs.4010.64 Lacs)

Used : Rs. 12641.59 Lacs
(Previous Year - Rs.2509.78 Lacs)

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies :

1		Name of the Subsidiary Company	Polyplex (Asia) Pte. Ltd., Singapore	Polyplex (Thailand) Public Company Limited, Thailand	Polyplex (Singapore) Pte. Ltd., Singapore	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey	Polyplex (Americas) Inc., USA
2		Financial Year of Subsidiary Company ended on	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
3	a	No. of shares held at the end of the financial year	1,00,000 Equity Shares of US Dollars 10 each and 1650 Preference Shares of US Dollars 10 each.	13,20,00,000 Equity Shares of Baht 1 each directly held by Polyplex Corporation Limited and;	1,00,000 Ordinary Shares of US Dollars 10 each and 2,06,150 Preference Shares of US Dollars 10 each.	15,00,000 shares of New Turkish Lira 5 each.	25,000 Shares (Common Stock with no face value) held by Polyplex Corporation Limited; and
			Entire share capital is held by Polyplex Corporation Ltd.	42,80,00,000 Equity Shares of Baht 1 each held by Polyplex (Asia) Pte. Ltd., Singapore	Entire Share capital held by Polyplex (Thailand) Public Company Limited	Entire Share capital held by Polyplex (Singapore) Pte. Limited	203,000 shares (Common Stock with no face value) and 800,000 Preference Shares with no par value, held by Polyplex (Thailand) Public Company Limited
	b	Extent of Interest at the end of the financial year	100%	70%	70%	70%	66.05%
4		Net Aggregate amount of Profit/(Loss) of the Subsidiary Company so far as it concerns the Members of the Holding Company					
	a	Not dealt with in the accounts of the Holding Company					
		– for the subsidiary's Financial Year ended March 31, 2009	Rs. 2330.41 Lacs	Rs. 5787.16 Lacs	Rs. 477.16 Lacs	Rs. 4439.38 Lacs	Rs. 212.88 Lacs
		– for the previous Financial Years	Rs. 4437.68 Lacs	Rs. 31173.78 Lacs	Rs. 1311.19 Lacs	Rs. 4139.73 Lacs	Rs. 23.72 Lacs
	b	Dealt with in the accounts of the Holding Company					
		– for the subsidiary's Financial Year ended March 31, 2009	Nil	Nil	Nil	Nil	Nil
		– for the previous Financial Years	Nil	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in India, the details of Corporate Governance and processes including compliances by the Company with the provisions of Clause 49 are as follows:

1. Company's philosophy on Code of Governance

The quintessential elements of Corporate Governance are fairness, transparency, accountability and responsibility. At Polyplex, the emphasis is on:

(a) Enhancement of Shareholders' value.

(b) Protection of the interest of the public shareholders.

(c) Long-term financial health of the Company.

(d) Providing customers with quality products and services at competitive prices.

(e) Environment friendly production methods.

(f) Providing for fair wage and safe working condition for employees and inviting inputs from employees in decision-making.

(g) Contribution to the socio-economic development of the local community.

2. Board of Directors

(a) Composition:

The Board is well structured with an adequate blend of Executive and Non-Executive Directors. The Board consists of 9 (Nine) Directors of which 2 (Two) are Executive Directors and 7 (Seven) are Non-Executive Directors. Non-Executive Directors include the Chairman and one nominee director of IDBI Bank Limited, all of whom are Independent Directors except Shri Sanjiv Saraf and Shri Sanjiv Chadha who are from Promoters' Category. The Non-executive Directors bring independent judgment in the Board's deliberations and decisions. The Chairman of the Company is a Non-Executive Director from the Promoters' Category.

(b) Non-Executive Directors' compensation

Non-Executive Directors of the Company are paid sitting fee @ Rs.20,000/- per meeting of the Board or any Committee thereof, in addition to reimbursement / provision of traveling / stay expenses as per Rules of the Company.

(c) Board Meetings

During the financial year 2008-09, Five Board Meetings were held on June 28, 2008, July 31, 2008, October 31, 2008, November 25, 2008 and January 30, 2009.

Attendance of each director at the Board meetings and the last AGM and number of other Boards or Board Committees in which he is a member or Chairperson across various companies is as follows:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Director-ships**	Other Committee Memberships***	
Sarvashri					Member	Chairman
Sanjiv Saraf (Chairman)	Promoter, Non-Independent Non-Executive	3	No	7	2	1
Sanjiv Chadha	Promoter Non-Independent Non-Executive	2	No	–	–	–
Pranay Kothari Executive Director	Non-Independent, Executive	5	No	5	–	1
S.G. Subrahmanyan (Vice Chairman)	Independent, Non-Executive	5	Yes	2	1	–
O.P. Mehra	Independent, Non-Executive	4	No	3	2	1
B.K. Soni	Independent, Non-Executive	3	No	1	–	–

Suresh I. Surana	Independent, Non-Executive	3	No	2	–	–
Ranjit Singh Chief Operating Officer	Non-Independent, Executive	4	No	–	–	–
M.K. Jain*	Nominee of IDBI, Independent Non-Executive	2	No	–	–	–
Ravi Kumar*	Nominee of IDBI, Independent Non-Executive	2	No	–	–	–

* Shri Ravi Kumar appointed as Nominee Director of the IDBI Bank Ltd. in place of Shri M. K. Jain with effect from September 08, 2008

** No. of Directorship/Membership held in other Companies excludes directorship/Membership in Private Companies, Foreign Companies and Section 25 Companies.

*** For determining the Membership of Committees, only Audit Committee and Shareholder/Investor Grievance Committee have been considered.

None of the Directors of the Company is a member in more than 10 committees or acts as Chairman of more than five committees across all companies in which he is a director.

(d) Details of shares held by Directors in the Company are as follows

Name of Director	No. of shares held as on 31.3.2009
Shri Sanjiv Saraf	23,069
Shri Sanjiv Chadha	2,000
Shri Suresh I. Surana	100
Shri Ranjit Singh	4140

(e) Information placed before the Board includes

The Board is supplied with the necessary information as stipulated in Annexure IA of Clause 49 of the Listing Agreement, to the extent applicable.

(f) Review of Compliance Report

Compliance Report signed by an Executive Director is placed before the Board at every Board Meeting.

(g) Code of Conduct

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management. The Code has been circulated to all the members of the Board and Senior Management and they have affirmed the compliance of the same. A copy of the Code of Conduct is also posted on the website of the Company viz. www.polyplex.com.

A confirmation from the Executive Director / Chief Executive Officer affirming Compliance of the Code of Conduct by the members of the Board / Senior Management forms part of this report.

3. Finance Committee

(a) Constitution

The Board has constituted a Finance Committee comprising of following Directors viz. Shri Sanjiv Saraf, Shri Pranay Kothari, Shri O.P. Mehra and Shri B.K. Soni to decide, *inter-alia*, financial matters of the Company by way of loans, working capital facilities and incidental matters. Shri Sanjiv Saraf is the Chairman of the Committee.

The Company Secretary of the Company acts as the Secretary of the Finance Committee.

(b) Meetings of the Finance Committee

During the year one meeting of the Finance Committee was held on October 22, 2008.

Attendance of the Members at the Finance Committee Meeting was as follows:

Name of Member	Meeting attended
Shri Sanjiv Saraf	1
Shri Pranay Kothari	1
Shri O. P. Mehra	0
Shri B. K. Soni	1

4. Audit Committee

(a) Constitution:

The Audit Committee comprises of following Independent and Non-Executive Directors viz. Shri S.G. Subrahmanyan, Shri O.P. Mehra, Shri B.K. Soni and Shri M.K. Jain (upto 08.09.2008) / Shri Ravi Kumar w. e. f. 08.09.2008. Shri S.G. Subrahmanyan is the Chairman of Audit Committee. All the members of Audit Committee are financially literate within the meaning of Clause 49 of the Listing Agreement.

The Company Secretary of the Company acts as the Secretary of the Audit Committee.

Statutory Auditor and Internal Auditor are invitees to Audit Committee meetings.

(b) Meetings of Audit Committee

During the financial year 2008-09, four meetings of Audit Committee were held on June 28, 2008, July 31, 2008, October 31, 2008 and January 30, 2009. Attendance of the Members at the Audit Committee Meetings was as follows:

Name of Member	Meetings attended
Shri S.G. Subrahmanyan	4
Shri B.K. Soni	2
Shri O. P. Mehra	4
Shri M.K. Jain*	2
Shri Ravi Kumar*	1

* Shri Ravi Kumar is appointed as Nominee Director of the IDBI Bank Ltd. in place of Shri M. K. Jain with effect from September 08, 2008

(c) Power and Role of Audit Committee

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, include the following:

i. Powers :

(a) To investigate any activity within its terms of reference.

(b) To seek information from any employee.

(c) To obtain outside legal or other professional advice.

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. Role :

(a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.

ii. Changes, if any, in accounting policies and practices and reasons for the same.

iii. Major accounting entries involving estimates based on the exercise of judgment by the Management.

iv. Significant adjustments made in the financial statements arising out of audit findings.

v. Compliance with listing and other legal requirements relating to financial statements.

vi. Disclosure of any related party transactions.

vii. Qualifications in the draft audit report.

(e) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.

(f) Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.

(g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(h) Discussion with internal auditors any significant findings and follow-up there on.

(i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

(j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

(k) To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.

(l) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

(m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

i. Management Discussion and Analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the audit committee) submitted by management;

iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iv. Internal audit reports relating to internal control weaknesses;

v. The appointment, removal and terms of remuneration of the Chief Internal Auditor is subject to review by the Audit Committee;

vi. Financial Statements and in particular the investments made by the unlisted subsidiaries of the Company; and

vii. Significant Related Party Transactions on quarterly basis.

5. Remuneration Committee and Remuneration to Directors

a) Composition:

The Board of Directors have constituted Remuneration Committee comprising of three Independent and one Promoter, all of whom are Non Executive Directors i.e. Shri Sanjiv Saraf, Shri S. G. Subrahmanyan, Shri O.P. Mehra and Shri B. K. Soni. Shri Sanjiv Saraf is the Chairman of the Committee.

The Remuneration Committee has been constituted to recommend to the Board the remuneration for the Whole Time / Executive Director(s) of the Company.

During the year one meeting of the Remuneration Committee was held on October 31, 2008. All the members of the Remuneration Committee were present at the aforesaid meeting except Shri B. K. Soni.

b) Details of Remuneration and other terms of appointment of Directors:

i. Executive Director

a. Shri Pranay Kothari

Shri Pranay Kothari has been reappointed as Executive Director of the Company for a period of three years w.e.f. September 7, 2006. The details of the remuneration paid to Shri Pranay Kothari, Executive Director during the year 2008-09 are given below:

Salary & Allowances	Rs. 62,97,808
Perquisites	Rs. 3,66,828
Total	Rs. 66,64,636

The service contract of Shri Pranay Kothari is for three years expiring on September 6, 2009 The appointment of Shri Pranay Kothari as whole time director may be terminated by either party after giving to the other six calendar months notice in writing. No payment on account of severance fees has been stipulated.

No performance linked incentive has been paid to Shri Pranay Kothari during the year.

b. Shri Ranjit Singh

Shri Ranjit Singh has been appointed as Whole Time Director of the Company for a period of three years w.e.f. July 13, 2007. The details of the remuneration paid to Shri Ranjit Singh, Executive Director during the year 2008-09 are given below:

Salary & Allowances	Rs. 82,08,000
Perquisites	Rs. 6,23,820
Total	Rs. 88,31,820

The service contract of Shri Ranjit Singh is for three years expiring on July 12, 2010. The appointment of Shri Ranjit Singh as whole time director may be terminated by either party after giving to the other six calendar months notice in writing. No payment on account of severance fees has been stipulated.

No performance linked incentive has been paid to Shri Ranjit Singh during the year.

ii. Non-Executive Directors

Remuneration by way of Sitting Fees for attending meetings of the Board or any Committee(s) thereof are paid to Non-executive directors. The details of payment of Sitting Fee to Non-Executive Directors during the year 2008-09 are given below:

Name of Non-Executive Director	Sitting Fee (Rs.)
Shri Sanjiv Saraf	4,60,000
Shri B.K. Soni	1,20,000
Shri O.P. Mehra	1,80,000
Shri S.G. Subrahmanyan	2,00,000
Shri M.K. Jain*	80,000
Shri Ravi Kumar*	60,000
Shri Sanjiv Chadha	40,000
Shri Suresh I. Surana**	60,000

All Non-Executive Directors except Shri M.K. Jain / Shri Ravi Kumar, Nominee Director of IDBI Bank Limited, are liable to retire by rotation.

* Sitting fee paid to nominating institution i.e. IDBI Bank Limited.

** Amount aggregating to Rs.27,50,000/- was paid to a firm in which Shri Suresh I. Surana is a partner towards professional fee and reimbursement of expenses.

The Company has so far not issued any Stock options to any of the Directors.

6. Share Transfer cum Investors / Shareholders Grievance Committee

a) Composition:

The Board has constituted Share Transfer cum Shareholders' / Investors' Grievance Committee consisting of Shri Sanjiv Saraf, Non-Executive Director, Shri Pranay Kothari, Executive Director and Shri B.K. Soni, Non-Executive Director. The members of the Committee present elect the Chairman of the meeting. This Committee generally meets every fortnight.

The Company's Shares Transfer Committee, *inter alia*, looks into the Investors/ Shareholders Grievances.

Shri A.K. Gurnani, Company Secretary is the Compliance Officer.

b) Meetings of Share Transfer Committee

During the financial year 2008-09, 18 such meetings were held.

Attendance of the Members at the Share Transfer cum Investors / Shareholders Grievance Committee Meetings was as follows:

Name of Member	Meetings attended
Shri Sanjiv Saraf	18
Shri Pranay Kothari	18
Shri B.K. Soni	0

c) Investor Grievance Redressal:

Complaints received from Investors/ Shareholders are promptly attended to.

Status of complaints received, resolved and pending during the financial year is as follows:

Opening	:	2	Received	:	14
Resolved	:	15	Pending	:	1

As on March 31, 2009, 5 requests involving 1000 shares were pending for dematerialisation, which were given effect to on April 6, 2009.

7. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Company reviews and monitors the performances of its subsidiaries by way of:

a) Approving, in principal, their capital expenditure, business expansion plans;

b) Reviewing their operations vis a vis Budgets, Cash Flows and Balance Sheets;

c) Reviewing all significant/ material transactions and arrangements;

d) Minutes / significant resolutions are placed before the Company's Board.

8. General Body Meetings

i. The details about the last three Annual General Meetings are given below:

AGM	Financial Year	Date of Meeting	Location of the Meeting	Time
23rd	2007-08	26.09.2008	Registered Office at Khatima	10.00 a.m.
22nd	2006-07	15.09.2007	Registered Office at Khatima	11.00 a.m.
21st	2005-06	17.08.2006	Registered Office at Khatima	11.00 a.m.

During the previous financial year, no Extra Ordinary General Meeting was held.

ii. Special Resolutions passed in the previous three Annual General Meetings :

Year / Date	Subject
2007-08 / 26.9.2008	Nil
2006-07 / 15.9.2007	Appointment of Shri Ranjit Singh as an Whole time Director – Chief Operating Officer of the Company for a period of three years w.e.f. July 13, 2007
2005-06 / 17.8.2006	Re-appointment of Shri Pranay Kothari as an Executive Director of the Company for a period of three years w. e. f. September 7, 2006.

iii. Whether special resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedures for postal ballot :

There was no special resolution which was required to be passed by postal ballot. No special resolution is proposed to be passed at the ensuing Annual General Meeting, by postal ballot.

9. Disclosures

a) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.

b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

c) **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.**

The Company has not yet formulated Whistle Blower policy. No employee of the Company has been denied access to the Audit Committee to make any representation.

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 in all respect.**

Company has complied with the mandatory requirements of Clause 49 and as regards non-mandatory requirements these would be adopted in due course of time.

e) **Management Discussion and Analysis**

This Annual Report has a detailed section on Management Discussion and Analysis.

f) **Re-appointment of Directors**

As required by Clause 49 IV(G)(i) particulars of directors seeking reappointment are given in the Notice of the Annual General Meeting to be held on September 30, 2009.

10. CEO / CFO Certification

As required by the revised Clause 49 of the Listing Agreement, the Certificate from Shri Pranay Kothari, Executive Director and Shri Manish Gupta, Group C.F.O. was placed before the Board of Directors at their meeting held on June 26, 2009.

11. Means of Communication

a. Quarterly results/ returns and official news releases are furnished to Stock Exchanges and are also put on the Company's Website www.polyplex.com .

b. The quarterly and half yearly results are generally published in the 'The Economic Times' and 'Amar Ujala, Nainital'.

c. Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

d. EDIFAR Filing

As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc. are electronically filed on the EDIFAR website www.sebiedifar.nic.in within the timeframe prescribed in this regard.

Declaration by the CEO under Clause 49 I (D) of the Listing Agreement regarding adherence to the Code of Conduct.

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial Year 2008-09.

Place : NOIDA
Date : June 26, 2009

Pranay Kothari
Executive Director

GENERAL SHAREHOLDERS INFORMATION

1.	**Annual General Meeting Date & Time :**	30.09.2009 at 10.00 a.m. at the Registered Office at : Lohia Head Road, Khatima-262 308 Distt. Udham Singh Nagar, UTTARAKHAND
2.	**Financial Year**	April 1st to March 31st.
3.	**Book Closure Date:**	26.09.2009 to 30.09.2009 (both days inclusive)
4.	**Dividend Payment Date:**	On or from 7.10.2009

5. **Listing on Stock Exchanges:**

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

Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited,
Exchange Plaza, Plot No.-C/1, G Block,
Bandra Kurla Complex,
Mumbai – 400 051

Listing Fees for the year 2009-10 has been paid to above Stock Exchanges.

Calcutta Stock Exchange Association Limited has approved 'in principal' Company's application for voluntary de-listing of Shares. Final approval is awaited.

6. **Scrip Code**

The Company's equity shares have been allotted following scrip codes:-

Bombay Stock Exchange Limited,	**SCRIP CODE 524051**
National Stock Exchange of India Limited,	**POLYPLEX**
Reuters Code	**PLYP.BO**
NSDL/ CDSL – ISIN	**INE633B01018**

7. Stock Market Data

The share prices on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited during 2008-09 were as follows:

Months	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	High Price Rs.	Low Price Rs	Volume Nos.	High Price Rs.	Low Price Rs.	Volume Nos.
April, 2008	196.75	157.00	98305	199.00	156.20	86018
May, 2008	**199.50**	177.90	57493	198.95	178.00	80263
June, 2008	192.30	170.00	39515	209.90	170.00	63331
July, 2008	195.00	168.00	67162	**214.50**	167.00	108329
August, 2008	194.00	170.10	37232	197.95	170.00	48256
September, 2008	194.70	150.00	52803	191.15	149.00	46821
October, 2008	156.00	95.00	61194	180.00	95.00	96646
November, 2008	138.50	104.00	33452	138.15	104.00	34015
December, 2008	128.60	103.20	23179	122.80	102.00	23037
January, 2009	129.90	105.00	30089	129.90	105.00	24304
February, 2009	132.00	107.00	83182	132.00	92.25	37221
March, 2009	120.00	101.00	188118	123.00	102.00	26990
Total			**771724**			**675231**

Source: www.bseindia.com and www.nseindia.com

8. Registrar and Share Transfer Agents:

MCS Ltd.,
F – 65, Okhla Industrial Area,
Phase I, New Delhi 110020
Phone: (011) 41406149, Fax: (011) 41709881
E-mail: admin@mcsdel.com

9. Share Transfer System:

All valid requests for transfer of shares are approved by Share Transfer Committee and given effect to within a period of 21days.

10. Distribution of shareholdings as on 31.03.2009

Share holding in Number of Shares	Number of Shareholders	% of total Shareholders	Nominal Amount (in Rs.)	% of Total Nominal Amount
1 to 500	8050	90.23	1,06,09,660	6.63
501 to 1000	419	4.70	34,58,240	2.16
1001 to 2000	227	2.54	34,50,660	2.16
2001 to 3000	64	0.72	16,20,430	1.01
3001 to 4000	26	0.29	9,51,830	0.60
4001 to 5000	38	0.43	17,66,540	1.10
5001 to 10000	45	0.50	33,72,350	2.11
10001 & above	53	0.59	13,46,93,290	84.23
Total	**8922**	**100.00**	**15,99,23,000**	**100.00**

11. Categories of shareholders as on 31.03.2009

Category	No. of Shares held	Percentage of Shareholding
A Promoter's holding		
1. Promoters		
Indian Promoters :	924200	5.78
Foreign Promoters :	6581067	41.15
2 Persons acting in concert	0	0.00
Sub Total	**7505267**	**46.93**
B. Non-Promoters Holding		
3 Institutional Investors		
a. Mutual Funds and UTI	613100	3.83
b. Banks, Financial Institutions, Insurance Companies	486943	3.05
c. FIIs	33376	0.21
Sub-Total	**1133419**	**7.09**
4 Others		
a. Private Corporate Bodies	2076593	12.98
b. Indian Public	3416012	21.36
c. NRIs/OCBs	1850009	11.57
d. Any other (Trusts)	11000	0.07
Sub-Total	**7353614**	**45.98**
Grand Total	**15992300**	**100.00**

Note: Total Foreign shareholding as at March 31, 2009 is 8464452 shares constituting 52.93%

Above shareholding is as per shares held in physical form and details of Beneficial Owners received from NSDL/ CDSL.

12. Stock Performance of the Company in comparison to NSE Nifty

13. Dematerialisation of shares and liquidity

Shares of the Company are available for dematerialisation and are being traded in dematerialised form by all investors w.e.f. April 30, 2001. Shareholders of the Company are advised to avail the facility of electronic shares through dematerialisation of physical scrips by opening an account with any of the recognized Depository Participants.

Status of Dematerialisation as on March 31, 2009

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	13760499	86.04	5318
Central Depository Services (India) Limited	461340	2.89	1408
Total Dematerialised	**14221839**	**88.93**	**6726**
Physical	1770461	11.07	2196
Grand Total	**15992300**	100.00	8922

The Company has not issued GDRs and there are no convertible bonds outstanding as at the year-end.

The Company had issued 16,50,000 nos. warrants on preferential basis to a Promoter Group Company which were outstanding at the year end. These warrants entitled the holder to apply for equal number of equity shares at a price of Rs. 152/- per shares at any time upto April 30, 2009, Since the allottee/holder of these warrants did not exercise the option, the upfront consideration of 10% amounting to Rs. 250.80 lacs paid by the applicant has been forfeited.

14. Plant Locations

The Company's Polyester Chips and Polyester / Coated Film manufacturing facility are located at Khatima 262 308, Distt. Udham Singh Nagar, Uttarakhand. The Company's new project to manufacture PET Films and BOPP Films, is coming up at Village Vikrampur, Tehsil Bajpur-262401, Uttarakhand.

15. Investor Correspondence

For any assistance regarding share transfers, transmissions, issue of duplicate share certificate(s), change of address, non-receipt of dividend, issue of duplicate dividend warrants, dematerialisation of shares etc., please contact / write to: -

Shares Department
Polyplex Corporation Limited
Lohia Head Road,
Khatima 262308
Distt. Udham Singh Nagar,
Uttarakhand

Phone: (05943) 250136
Fax : (05943) 250281
Email: investorrelations@polyplex.com

or

Shares Department,
Polyplex Corporation Limited
B-37, Sector –1,
NOIDA 201301,
Gautam Budh Nagar,
Uttar Pradesh

Phone: (0120) 2443716 to 19
Fax : (0120) 2443723 & 24

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED

We have audited the compliance of condition of Corporate Governance procedure implemented by Polyplex Corporation Ltd. for the year ended on 31st March 2009 as stipulated in Clause 49 of the listing agreement of the said Company with the Stock Exchanges in India.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedure and implementation thereof, adopted by the company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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 affair of the Company.

On the basis of our review and according to the information and explanation given to us, the condition of Corporate Governance as stipulated in Clause 49 of the listing agreement with the stock Exchange have been complied with in all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

For **Lodha & Co.,**
Chartered Accountants

Place : New Delhi
Dated : August 21, 2009

N.K. LODHA
Partner
M.No. 85155

AUDITORS' REPORT

TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED

We have audited the attached Balance Sheet of Polyplex Corporation Limited as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :-

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;

(d) In our opinion, read with Note No. 12(d) of Schedule 15 regarding capitalization of Foreign Currency derivative loss incurred in relation to import of capital goods, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;

(e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with siginificant accounting policies, notes appearing in Schedule 15 and other Notes on Accounts, give the information required by the Companies Act, 1956 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;

ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and

iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

(g) As required by the Companies (Auditor's Report) Order, 2003 ('The Order') (As amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ('The Act'), on the matters specified in paragraphs 4 and 5 of the said Order and on the basis of such checks as we considered appropriate and in terms of information and explanations provided to us, we further report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   (b) We have been informed by the management that Fixed Assets have been physically verified by the management during the year according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. According to the information and explanations given to us, discrepancies noticed on such physical verification were not material.

   (c) As per the records and information and explanations given to us, no substantial part of Fixed Assets has been disposed of during the year and therefore does not affect the going concern assumption.

2. (a) We have been explained by the management that the inventory of the Company at all its locations (except stocks lying with third parties and in transit) have been physically verified by the Management at reasonable intervals.

(b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) As informed to us, the Company has granted unsecured loan to a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year in respect of said company/person is Rs.1135.67 Lacs and the year end balance of such loan is Rs. 684 Lacs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions on which aforesaid loan has been given are not, prima facie, prejudicial to the interests of the Company.

(c) In respect of aforesaid loan, the amount of principal is not due as on 31st March, 2009. Further, interest on the above said loan is generally regular.

(d) The Company has taken reasonable steps for the recovery of the overdue amount of interest on the aforesaid loan, and it has been subsequently recovered by the Company.

(e) As informed to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (f) and (g) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of items purchased are of specialised nature, taking into consideration the quality, usage and such other factors, comparative sources/ quotations are not available, the Company has internal control systems commensurate with the size of the Company and nature of its business (read with Note Nos. 6 and 27(b) of Schedule 15) for the purchases of inventory, fixed assets and for the sale of goods and services which needs to be further strengthened. Further, on the basis of examination of the books and records of the Company and according to the information and explanations given to us and as per the checking carried out in accordance with the auditing standards generally accepted in India, neither we have observed nor we have been informed of any continuing failure to correct major weaknesses in internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contract or arrangement that need to be entered into the Register maintained under Section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into the Register maintained under Section 301 of the Act and exceeding the value of Rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Act, in respect of Polyester Chips. On the basis of the records produced and broadly reviewed by us, we are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we are not required to and have not carried out any detailed examination of the said records, with a view to determine whether they are accurate or complete.

9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have generally been deposited in time during the year (except some delay in deposit of Service Tax) with the appropriate authorities and there *are* no undisputed statutory dues payable for a period of more than six months from the date they became payable *as* at 31st March, 2009, except dues of Service Tax to the extent of Rs. 1.38 Lacs.

(b) In our opinion and according to the information & explanations given to us, there are no dues in respect of Wealth Tax, Service Tax and Cess that have not been deposited with appropriate authority on account of any dispute and the dues in respect of Sales Tax, Customs Duty, Excise Duty, and Income Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:-

Name of the Statute	Nature of dues	Period to which the Amount Relates	Amount (Rs. in Lacs)	Forum where disputes are pending
U.P. Tax on Entry of Goods Act	Entry Tax	2001-02	0.61	Tribunal
Sales Tax Act	Sales Tax	2002-03	2.60	Tribunal
		1996-97	18.40	Joint Commissioner (Appeals)
		2004-05	35.80	Deputy Commissioner (Assessment)
		1997-98	120.96	Deputy Commissioner (Appeals)
		1998-99	63.97	Deputy Commissioner (Appeals)
		2006-07	0.70	Joint Commissioner (Appeals)
	Commercial Tax	2008-09	0.96	Asst. Commissioner
Central Excise Act, 1944	Excise Duty and Penalty	2001-02	9.22	Commissioner (Appeals)

10. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceeding financial year.

11. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/ mutual benefit fund/society, therefore, the clause 4 (xiii) of The Order is not applicable to the Company.

14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.

16. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.

17. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment.

18. The Company has not made any preferential allotment of Shares to parties or Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures.

20. The Company has not raised any money through a public issue during the year.

21. Based upon the audit procedures performed in accordance with accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported, during the year nor we have been informed of such case by the Management.

For **Lodha & Co.**
Chartered Accountants

Place : New Delhi
Dated : June 26, 2009

N.K. Lodha
Partner
Membership No. 85155

BALANCE SHEET AS AT MARCH 31, 2009

		SCHEDULE	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
I.	**SOURCES OF FUNDS**			
	SHAREHOLDERS' FUNDS			
	Share Capital	1	**1,657.09**	1,657.09
	Equity Share Warrants (Refer Note No. 10 of Schedule 15)		**250.80**	250.80
	Reserves & Surplus	2	**11,470.54**	11,110.79
	LOAN FUNDS			
	Secured Loans	3	**20,142.04**	7,979.75
	Unsecured Loans	4	**1,045.76**	0.00
	DEFERRED TAX LIABILITY (NET)	5	**1,527.14**	1,410.76
		TOTAL	**36,093.37**	22,409.19
II.	**APPLICATION OF FUNDS**			
	FIXED ASSETS	6		
	Gross Block		**24,809.59**	23,246.31
	Less: Depreciation		**13,403.99**	12,613.40
	Net Block		**11,405.60**	10,632.91
	Capital work in progress (incl. Capital Advances)		**20,735.52**	2,675.29
			32,141.12	13,308.20
	INVESTMENTS	7	**2,240.18**	3,712.77
	Foreign Currency Monetary Item Translation Difference Account		**252.99**	0.00
	CURRENT ASSETS, LOANS AND ADVANCES	8		
	Inventories		**2,559.93**	2,226.40
	Sundry Debtors		**1,447.46**	2,630.38
	Cash and Bank Balances		**698.82**	1,044.35
	Loans and Advances		**3,876.01**	3,073.27
			8,582.22	8,974.40
	LESS: CURRENT LIABILITIES & PROVISIONS	9		
	Current Liabilities		**4,068.11**	1,389.09
	Provisions		**3,055.03**	2,197.09
			7,123.14	3,586.18
	NET CURRENT ASSETS		**1,459.08**	5,388.22
		TOTAL	**36,093.37**	22,409.19
	Notes to Accounts and Significant Accounting Policies	15		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

Schedules referred to above form *an integral part of the Balance Sheet*

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON MARCH 31, 2009

	SCHEDULE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I. INCOME			
Sales (Net of Excise of Rs.2,348.30 Lacs, Previous Year - Rs.2,620.88 Lacs)		**22,924.07**	19,099.19
Other Income	10	**1,234.59**	1,638.62
Stock Accretion/(Decretion)	11	**151.82**	(181.60)
	TOTAL	**24,310.48**	20,556.21
II. EXPENDITURE			
Manufacturing Expenses	12	**14,925.50**	13,812.13
Operating and other Expenses	13	**5,177.06**	3,412.36
Interest & Finance Charges	14	**650.63**	698.95
	TOTAL	**20,753.19**	17,923.44
Profit before Depreciation		**3,557.29**	2,632.77
Depreciation		**845.38**	821.42
Profit after depreciation		**2,711.91**	1,811.35
Less : Exceptional Items			
(Gain)/Loss on Investment in Preference Shares (Refer Note No. 4 of Schedule 15)		**0.00**	151.87
Profit after Exceptional Items		**2,711.91**	1,659.48
Less: Provision For Tax			
– Current Tax		**777.44**	565.78
– Fringe Benefit Tax		**52.50**	39.50
– Deferred Tax		**163.84**	(180.25)
		1,718.13	1,234.45
Less : Prior Period Adjustment - Tax		**5.60**	(2.08)
Profit after Tax		**1,712.53**	1,236.53
Add : Surplus brought forward		**5,490.06**	5,501.14
Balance Available for Appropriation		**7,202.59**	6,737.67
Transferred to General Reserve		**172.00**	125.00
Proposed Dividend		**1,119.46**	959.54
Corporate Dividend Tax		**190.25**	163.07
Surplus carried to Balance Sheet		**5,720.88**	5,490.06
Basic Earnings Per Share (in Rs.)		**10.71**	8.13
Diluted Earnings Per Share (in Rs.) (Refer Note No. 24 of Schedule 15)		**9.71**	7.78
Notes to Accounts and Significant Accounting Policies	15		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

N. K. Lodha
Partner
Membership No. 85155

Schedules referred to above form an integral part of the Profit and Loss Account

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2009

	2008-09 (Rs. in Lacs)		2007-08 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**2,711.91**		1,659.48
Adjustments For :				
Depreciation	**845.38**		821.42	
Prov. for Doubtful Debtors / Bad Debts Written Off	**28.63**		0.00	
Interest (Net)	**650.63**		698.95	
Exchange Loss on Redemption of Investments	**0.00**		151.87	
Unrealised Foreign Exchange (Gain) / Loss	**76.78**		(220.20)	
Excess Provision / Sundry Balances Written Back (Net)	**157.11**		11.69	
Loss / Profit on Sale of Fixed Assets (Net)	**10.47**		2.11	
Asset Written Off	**0.07**		4.78	
Profit on Sale of Investments	**(31.31)**		(231.84)	
Dividend Received	**(692.74)**	**1,045.02**	(277.14)	961.64
Operating Profit Before Working Capital Changes		**3,756.93**		2,621.12
Adjustments For :				
Trade and Other Receivables	**679.57**		(962.73)	
Inventories	**(333.53)**		(333.46)	
Trade Payables	**1,879.72**	**2,225.76**	67.27	(1,228.92)
Cash Generated From Operations		**5,982.69**		1,392.20
Taxes Paid		**(520.06)**		(549.91)
Cash Flow Before Extraordinary Items		**5,462.63**		842.29
Net Cash From Operating Activities		**5,462.63**		842.29
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase Of Fixed Assets	**(1,644.76)**		(384.31)	
C.W.I.P. (Incl. Capital Advances)	**(16,898.18)**		(2,672.22)	
Sale of Fixed Assets	**16.15**		6.39	
Purchase of Short Term Investments	**(2,520.00)**		(21,526.70)	
Sale/ Redemption of Long Term Investments	**0.00**		841.64	
Sale of Short Term Investments	**4,072.96**		25,461.27	
Interest/Dividend Received	**790.63**		407.99	
Net Cash Used In Investing Activities		**(16,183.20)**		2,134.06

	2008-09 (Rs. in Lacs)		2007-08 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds From Long Term Borrowings	**10,744.18**		0.00	
Repayment of Long Term Borrowings	**(1,446.20)**		(2,673.86)	
Net Proceeds From Short Term Borrowings	**2,829.31**		(1,124.74)	
Interest Paid	**(636.04)**		(897.23)	
Dividends Paid	**(953.14)**		(583.76)	
Tax on Distributed Profits	**(163.07)**		(99.54)	
Proceeds From Issue Of Share Capital	**0.00**		2,052.01	
Proceeds From Issue Of Share Warrants	**0.00**		250.80	
Net Cash Used In Financing Activities		**10,375.04**		(3,076.32)
Net Increase In Cash and Cash Equivalents		**(345.53)**		(99.97)
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)		**1,044.35**		1,144.32
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)		**698.82**		1,044.35

NOTES :

1. Cash and Cash equivalents represents Cash and Bank balances as per Schedule 8.
2. Previous Year figures are regrouped wherever necessary.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Place : New Delhi
Date : June 26, 2009

Manish Gupta
Group C.F.O.

Place : NOIDA

SCHEDULE 1

SHARE CAPITAL

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
AUTHORISED		
3,00,00,000 Equity Shares of Rs.10 each	**3000.00**	3000.00
ISSUED AND SUBSCRIBED		
1,71,88,000 (Previous Year - 1,71,88,000) Equity Shares of Rs.10 each	**1718.80**	1718.80
PAID-UP		
1,59,92,300 (Previous Year - 1,59,92,300) Equity Shares of Rs.10 each fully paid up	**1,599.23**	1599.23
Add: Share Forfeiture Account	**57.86**	57.86
TOTAL	**1657.09**	1657.09

OUT OF ABOVE :

13,50,000 Equity Shares were issued during the Financial Year 2007-08 on preferential basis.

SCHEDULE 2

RESERVES & SURPLUS

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
CAPITAL RESERVE		
Central Investments Subsidy		
Per last Balance Sheet	**25.00**	25.00
	25.00	25.00
SECURITIES PREMIUM		
Per last Balance Sheet	**3,947.43**	2,030.43
Addition during the year	**0.00**	1,917.00
	3,947.43	3,947.43
GENERAL RESERVE		
Per last Balance Sheet	**1,677.33**	1,552.33
Transfer to Foreign Currency Monetary Item Translation Difference Account (Net of Deferred Tax of Rs.47.44 Lacs)	**(92.13)**	0.00
Transferred from Profit & Loss Account	**172.00**	125.00
	1,757.20	1,677.33
FOREIGN EXCHANGE TRANSLATION RESERVE		
Per last Balance Sheet	**(29.03)**	(76.11)
Updation on translation adjustment	**49.06**	47.08
	20.03	(29.03)
SURPLUS AS PER PROFIT & LOSS ACCOUNT	**5,720.88**	5,490.06
TOTAL	**11,470.54**	11,110.79

SCHEDULE 3

SECURED LOANS

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
Loans from Banks			
–	Rupee Term Loans	**9,653.43**	4,142.00
–	Foreign Currency Term Loans	**7,697.70**	2,406.60
–	Working Capital Loans		
	Foreign Currency Working Capital Demand Loans	**253.65**	200.55
	Cash Credit	**2,098.69**	11.41
	Export Packing Credit Foreign Currency Loans	**0.00**	690.17
	Packing Credit Loans - INR	**324.79**	453.84
–	Vehicle Loan	**34.06**	53.02
–	Interest accrued & due	**79.72**	22.16
	TOTAL	**20,142.04**	7,979.75

(1) Foreign Currency (FC) Term Loan of Rs. 7,697.70 Lacs (Previous Year - Rs.2,406.60 Lacs) and Rupee Term Loan (incl. interest) of Rs. 9,155.73 Lacs (Previous Year - Rs. 4,162.50 Lacs) are secured / to be secured on *pari passu* basis by a first equitable mortgage in respect of Company's immovable properties at Khatima and Bajpur, both present and future, and a charge by way of hypothecation of Company's movables (save and except book debts) both present and future, subject to prior charges created and/or to be created in favour of the Company's bankers on specified movables for working capital facilities. Rupee Term Loan includes - Rs. 574 Lacs (Prevoius Year - Nil) availed from IDBI Bank Limited which was secured by exclusive charge by way of equitable mortgage of land and building at Noida .

(2) Vehicle Loan of Rs. 34.06 Lacs (Previous year - Rs. 53.02 Lacs) from Banks are secured by hypothecation of Vehicles purchased therefrom.

(3) Working Capital Loans from Banks (incl. interest) aggregating to Rs. 2,680.55 Lacs (Previous Year - Rs. 1,357.63 Lacs) are secured / to be secured by way of hypothecation of inventories, book debts and other current assets both present and future, besides second charge on Company's immovable properties at Khatima and Bajpur.

SCHEDULE 4

UNSECURED LOANS

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
Buyer's Credit		**1045.76**	0.00
	TOTAL	**1045.76**	0.00

SCHEDULE 5

DEFERRED TAX ASSETS AND LIABILITIES (Arising out of timing differences)

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
DEFERRED TAX ASSETS		
Transferred from General Reserve on account of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	**47.44**	0.00
Transferred to Profit and Loss Account on account of FCMITDA	**(21.08)**	0.00
Disallowances as per Income Tax Act	**21.57**	18.85
	47.93	18.85
DEFERRED TAX LIABILITY		
Disallowance on account of FCMITDA for Current Year	**(112.35)**	0.00
Depreciation	**(1,462.72)**	(1,429.61)
	(1,575.07)	(1,429.61)
DEFERRED TAX LIABILITY (NET)	**(1,527.14)**	(1,410.76)

SCHEDULE 6

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2008	Additions during the year	Sale/ adjust-ments	**As at March 31, 2009**	As at April 01, 2008	For the year	Sale/ adjust-ments	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Freehold Land	56.53	809.68	–	**866.21**	–	–	–	–	**866.21**	56.53
Leasehold Land	472.59	–	–	**472.59**	63.01	5.25	–	**68.26**	**404.33**	409.58
Buildings	2,994.82	0.58	–	**2,995.40**	845.09	66.74	–	**911.83**	**2,083.57**	2,149.73
Plant & Machinery	17,971.01	591.16	18.83	**18,543.34**	10,969.02	643.21	12.36	**11,599.87**	**6,943.47**	7,001.99
Electrical Installations	569.14	12.11	–	**581.25**	217.67	25.61	–	**243.28**	**337.97**	351.47
Furniture & Fixtures	363.37	34.44	–	**397.81**	161.83	23.03	–	**184.86**	**212.95**	201.54
Office Equipments	606.43	125.97	32.23	**700.17**	274.00	61.08	28.30	**306.78**	**393.39**	332.43
Vehicles	212.42	70.82	30.42	**252.82**	82.78	20.46	14.13	**89.11**	**163.71**	129.64
Total	23,246.31	1,644.76	81.48	**24,809.59**	12,613.40	845.38	54.79	**13,403.99**	**11,405.60**	10,632.91
Previous Year	22,889.19	384.31	27.19	**23,246.31**	11,805.90	821.42	13.92	**12,613.40**	**10,632.91**	11,083.29

Notes :

1. Freehold Land costing Rs. 8.79 Lacs (Previous Year - Rs. 8.79 Lacs) is under Power of Attorney .
2. Addition to Plant & Machinery includes - Rs. 1.42 Lacs (Previous Year - Nil) on account of Foreign Exchange Fluctuation.
3. Plant & Machinery (Gross Block) includes Rs. 186.98 Lacs (Previous Year - Rs. 186.98 Lacs) in respect of assets taken on financial lease.

SCHEDULE 7

INVESTMENTS

	Face Value	As at March 31, 2009 Nos.	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 Nos.	As at March 31, 2008 (Rs. in Lacs)
Long Term (At Cost less Provision)					
Other than Trade					
Unquoted - Shares					
(Fully Paid up unless otherwise stated)					
(1) Equity / Ordinary Shares					
Investment in Other Companies					
Beehive Technologies Pvt. Ltd. (w.e.f. 18.09.08*)	Rs.10	**69,800**	**6.98**	69,800	6.98
Excel International Limited	Rs.10	**4,020**	**0.40**	4,020	0.40
Bhilangana Hydro Power Limited	Rs.10	**25,000**	**2.50**	25,000	2.50
Investment in Subsidiary Companies					
Polyplex (Asia) Pte Ltd. (common stock, no par value)		**1,00,000**	**463.83**	1,00,000	463.83
Polyplex (Americas) Inc. (Cost - USD 125000) (common stock, no par value)		**25,000**	**44.54**	25,000	44.54
(2) Preference Shares- Non Cumulative Redeemable					
Investment in Subsidiary Companies					
Polyplex (Asia) Pte Ltd (preference stock, no par value)		**1,650**	**234.33**	1,650	185.27
Long Term					
Other than Trade					
Quoted - Shares					
(Fully Paid up unless otherwise stated)					
(1) Equity / Ordinary Shares					
Investment in Subsidiary Companies					
Polyplex (Thailand) Public Company Limited **	Baht 1	**1,32,000,000**	**1,487.60**	1,32,000,000	1,487.60
Current					
Other than Trade					
Unquoted- Other than Shares					
Mutual Funds					
DWS Insta Cash Plus - Growth	Rs.10	**0**	**0.00**	6,28,778	80.00
Reliance Liquidity Fund - Growth	Rs.10	**0**	**0.00**	1,18,54,117	1,441.65
Grand Total			**2,240.18**		3,712.77
Aggregate of Unquoted Investments – (At Cost Less Provision)			**752.58**		2,225.17
Aggregate of Quoted Investments – (At Book Value)			**1,487.60**		1,487.60
– (At Market Value)			**7,501.09**		12,321.54

Note:

* Formerly known as Polyplex Infotech Private Limited.

** Includes 60 ordinary shares (Previous Year - 60 ordinary shares) beneficially owned by the Company but not registered in the name of the Company.

SCHEDULE 7 (Contd.)

INVESTMENTS

	2008-09 No of Units	2007-08 No of Units
Investments purchased and sold during the year		
– **Mutual Funds**		
SBI Premier Liquid Fund - Inst Growth	**0**	3883893
Prudential ICICI super inst Liquid Plan	**0**	3251416
SBI Debt Fund Series	**0**	2000000
Kotak Flexi Debt Scheme - Growth	**0**	4514725
Deutsche Insta Cash - Inst Plan - Growth	**8456299**	27322903
DWS Credit Oppurtunity Fund	**0**	4108934
Deutsche Quarterly Interval Fund	**0**	3050158
DWS Short Maturity Fund	**0**	5192413
Birla Cash Plus Inst Premium	**0**	16225243
Birla Liquid Plus	**0**	2096890
Reliance Liquid Plus - Growth	**2618305**	203134
UTI FMP - Quarterly Series	**0**	4195439
Tata Liquid Super High Inv. Fund	**0**	33902
Kotak Liquid (Inst. Premium)	**0**	20712957
Reliance Liquid Growth Fund	**0**	13997760
Principal Cash Management Fund	**0**	6331363
Deutsche Money Plus Inst - Growth option	**0**	10341778
Kotak FMP Series	**0**	2192877
Tata FMPs	**0**	9004084
Reliance FMPs	**0**	1980924
UTI Liquid Cash Plan Inst. - Growth plan	**0**	70943
DWS Cash Opportunity Fund	**2314258**	0
DWS Ultra Short Term Fund - Inst Growth	**9881405**	0
DWS Ultra Short Term Fund - Regular Growth	**26805781**	0
Reliance Money Manager Fund	**147268**	0

SCHEDULE 8

CURRENT ASSETS, LOANS AND ADVANCES

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
A.	**CURRENT ASSETS**		
	Inventories		
	(as valued and certified by the Management)		
	(at lower of cost and net realisable value)		
	Stores & Spares	**594.29**	601.07
	Raw Materials	**1,146.76**	952.94
	(including in Transit Nil, Previous Year - Rs. 153.47 Lacs)		
	Stock in Process	**511.88**	395.95
	Finished Goods		
	(including Scrap Stock Rs. 19.65 Lacs, Previous Year - Rs.11.11 Lacs)	**307.00**	276.44
	(including in transit stock Rs.132.88 Lacs, Previous Year - 100.55 Lacs)		
	Sub Total	**2,559.93**	2,226.40
	Sundry Debtors (Unsecured)		
	Debts outstanding for a period exceding six months		
	- Considered good	**105.93**	91.93
	- Considered doubtful	**24.94**	24.70
	Other Debts		
	- Considered good	**1,341.53**	2,538.45
		1,472.40	2,655.08
	Less : Provision for doubtful debts	**24.94**	24.70
	Sub Total	**1,447.46**	2,630.38
	Cash & Bank Balances		
	Cash in hand	**6.02**	11.53
	Cheques in hand	**286.68**	613.23
	Bank balance with scheduled banks		
	- Current Accounts	**208.62**	313.81
	- Dividend Account	**63.13**	56.74
	- Fixed Deposits*	**134.37**	49.04
	Sub Total	**698.82**	1,044.35
	Total (A)	**4,706.21**	5,901.13
B.	**LOANS AND ADVANCES (Unsecured Considered Good)**		
	Advances recoverable in cash or in kind or for value to be received	**1,096.00**	897.99
	Inter Corporate Deposits	**684.00**	434.00
	Deposits with Government Authorities & Others	**248.85**	192.90
	Advance Tax	**1,168.66**	903.08
	Advance Fringe Benefit Tax	**161.62**	118.60
	Balance with Customs & Excise	**516.88**	526.70
	Total (B)	**3,876.01**	3,073.27
	TOTAL (A+B)	**8,582.22**	8,974.40

* Includes Rs. 89.37 Lacs (Previous Year - Rs. 46.34 Lacs) pledged with banks towards margin against Guarantees, Letters of Credit and Foreign Bill Purchase limit.

SCHEDULE 9

CURRENT LIABILITIES & PROVISIONS

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
CURRENT LIABILITIES		
Sundry Creditors - Micro and Small Enterprises *	**0.00**	0.00
Sundry Creditors - Project	**361.85**	0.00
Sundry Creditors - Others	**1,274.59**	1016.88
Advance from a customer (Subsidiary Company) (Refer Note 8 of Schedule 15)	**745.95**	0.00
Security deposits / Advances from tenants	**93.84**	245.79
Investor Education and Protection Fund shall be credited by the following amounts, when due :-		
– Unpaid Dividend	**63.13**	56.74
Other liabilities	**1,454.40**	69.68
Interest accrued but not due	**74.35**	0.00
Sub Total	**4068.11**	1389.09
PROVISIONS		
Provision for Wealth Tax	**1.31**	0.78
Provision for Income Tax	**1,493.05**	922.01
Provision for Fringe Benefit Tax	**173.47**	120.95
Proposed Dividend (including Corporate Dividend Tax)	**1,309.71**	1122.61
Provision for Retirement Benefits	**77.49**	30.74
Sub Total	**3055.03**	2197.09
TOTAL	**7123.14**	3586.18

* To the extent information available (Refer Note No. 6 of Schedule 15)

SCHEDULE 10

OTHER INCOME

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Rental Income (Tax Deducted at Source Rs. 91.59 Lacs, Previous Year - Rs. 127.26 Lacs)	**419.52**	584.79
Miscellaneous Receipts	**64.66**	79.00
Profit on Sale of Current Investments	**31.31**	231.84
Dividend Income (TDS - Rs. 1.02 Lacs, Previous Year - Rs. 1.53 Lacs)	**692.74**	277.14
Excess Provision Written Back	**19.65**	8.95
Provision for Doubtful Debts written back	**0.00**	11.42
Prior Period Income (Net)	**6.71**	0.00
Foreign Exchange Fluctuation (Net)	**0.00**	445.48
TOTAL	**1234.59**	1638.62

SCHEDULE 11

STOCK ACCRETION / (DECRETION)

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Closing Stocks		
– Finished Goods	**307.00**	276.44
– Stock in Process - Others	**45.12**	16.15
– Stock in Process - Chips	**466.76**	379.80
	818.88	672.39
Opening Stock		
– Finished Goods	**276.44**	234.10
– Stock in Process - Others	**16.15**	67.03
– Stock in Process - Chips	**379.80**	560.76
	672.39	861.89
Add : Increase / (Decrease) in Excise Duty on Stocks	**(5.33)**	(7.90)
TOTAL	**151.82**	(181.60)

SCHEDULE 12

MANUFACTURING EXPENSES

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Raw Materials Consumed (Read together with Note No. 3 of Schedule 15)	**11,861.86**	11,206.35
Job Work Charges	**5.69**	39.70
Stores & Spares Consumed	**506.62**	499.50
Packing Material Consumed	**451.51**	418.11
Power & Fuel	**1,993.20**	1,552.58
Repairs and Maintenance		
– Building	**71.82**	12.62
– Plant & Machinery	**34.80**	83.27
TOTAL	**14,925.50**	13,812.13

SCHEDULE 13

OPERATING AND OTHER EXPENSES

		CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
PERSONNEL EXPENSES			
Salaries, Wages and Allowances		**1,868.31**	1,218.64
Contribution to Provident and other Funds		**81.75**	52.93
Staff Welfare Expenses		**186.75**	140.47
	Sub Total	**2,136.81**	1,412.04
ADMINISTRATIVE EXPENSES			
Rent (including lease rent Rs. 16.03 Lacs, Previous Year - Rs. 14.96 Lacs)		**52.89**	33.73
Electricity & Water Charges (Net)		**62.50**	59.78
Repairs & Maintenance (Net)		**150.50**	18.53
Rates and Taxes		**22.57**	9.36
Postage and Telephone		**90.12**	80.49
Printing and Stationery		**24.10**	22.97
Travelling and Conveyance		**247.80**	251.86
Vehicle Expenses		**182.77**	103.07
Insurance		**160.33**	136.54
Legal and Professional Fee		**252.82**	184.82
IT Maintenance		**340.26**	64.45
Miscellaneous Expenses		**113.18**	126.58
Directors' Sitting Fee		**12.00**	14.20
	Sub Total	**1,711.84**	1,106.38
SELLING EXPENSES			
Advertisement		**1.14**	1.98
Sales Promotion		**40.29**	13.04
Freight		**861.24**	726.06
Commission on Sales		**62.92**	85.96
	Sub Total	**965.59**	827.04
OTHER EXPENSES			
Asset Written Off		**0.07**	4.78
Loss on Sale of Fixed Assets (Net of Profit of Rs. 0.47 Lacs, Previous Year - Rs. 0.21 Lacs)		**10.47**	2.11
Excise Duty (Net of Recovery)		**2.95**	6.48
Donation		**13.78**	7.10
Foreign Exchange Fluctuation (Net)		**130.16**	0.00
Prior Period Expenses		**0.00**	23.32
Provision for Doubtful Debts		**0.23**	0.00
Sundry Balances Written Off (Net)		**176.76**	11.69
Bad Debts Written Off		**28.40**	11.42
	Sub Total	**362.82**	66.90
	TOTAL	**5,177.06**	3,412.36

SCHEDULE 14

INTEREST & FINANCE CHARGES

		CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Interest on Term Loans		**527.80**	685.19
Interest on Working Capital Loans		**146.80**	96.19
		674.60	781.38
Less :	Interest on deposits, (Tax Deducted at Source Rs. 25.34 Lacs Previous Year - Rs. 27.67 Lacs)	**109.49**	126.33
Less :	Interest on Others (Tax Deducted at Source Rs. 1.28 Lacs, Previous Year - Rs 0.30 Lacs)	**7.82**	7.82
		557.29	647.23
Bank & Other Financial Charges		**93.34**	51.72
	TOTAL	**650.63**	698.95

SCHEDULE 15

NOTES TO ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

A. NOTES TO ACCOUNTS

1) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances of Rs. 6,244.09 Lacs, Previous Year - Rs. 2,547.77 Lacs) - Rs.19,811.56 Lacs. (Previous Year - Rs. 18,417.72 Lacs).

2) Contingent Liabilities not provided for, in respect of:

   a) Disputed matters under litigation:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Sales Tax & Entry Tax	**283.74**	315.78
Excise Duty & Customs Duty	**22.95**	311.86
Income Tax	**73.54**	89.54
Others	**14.95**	19.14

   b) Bills discounted with banks - Nil (Previous Year - Nil).

   c) Custom duty (excluding interest and penalty) which may arise if obligation for exports is not fulfilled against import of machinery under Export Promotion Capital Goods (EPCG) Scheme:-

(Rs. in Lacs)

Particulars	Current Year	Previous Year
a) Gross of Modvat	**1,627.82**	196.97
b) Net of Modvat	**854.42**	75.63

   d) Guarantees given to the banks and others - Rs.159.50 Lacs (Previous Year - Rs. 152.90 Lacs), including Rs.17.50 Lacs (Previous Year - Rs. 57.90 Lacs) on behalf of other bodies corporates.

3) Export Benefits including the following are accounted for on accrual basis and have been credited to Raw Materials Consumed Account:

   a) Import duty benefit under Duty Entitlement Pass Book (DEPB) Scheme and profit/loss on sale of DEPB aggregating to Rs. 126.98 Lacs (Previous Year - Rs. 183.97 Lacs).

   b) Import duty benefit under Advance Licence Scheme - Nil (Previous Year - Rs. 25.10 Lacs).

4) The Company's investment in the preference share capital of its subsidiary viz. Polyplex (Asia) Pte. Limited was partly redeemed during the year 2008-09 at the allotted price and there was an exchange loss of Rs. 151.87 Lacs (net) which has been shown as exceptional item.

5) The expenditure on Research & Development have been debited to the respective heads of account since such expenses cannot be segregated in view of the peculiar nature of activities relating to such work.

6) As required by Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 the following information is disclosed:

(Rs. in Lacs)

Sr.No	Particulars	2008-09	2007-08
a)	i) Principal amount remaining unpaid at the end of the accounting year	-	-
	ii) Interest due on above	-	-
b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	-	-
c)	The amount of interest accrued and remaining unpaid at the end of financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	-	-
e)	The amount of further interest due and payable in succeeding year, until such interest is actually paid.	-	-

7) Capital Work in Progress includes equipments not yet installed, construction/erection material, construction/erection work in progress, machinery at site and/or in transit, advance to suppliers and other pre-operative expenses pending allocation/ capitalization. Pre-operative expenses pending allocation/capitalization are :

(Rs. In Lacs)

Particulars	As at March 31, 2009	As at March 31, 2008
Pre-operative expenses brought forward	**127.51**	0.00
Raw Material Consumed	**0.00**	0.00
Stores & Spares Consumed	**22.61**	1.94
Salary & Wages	**170.08**	37.45
Contribution to Providend Fund	**4.16**	1.87
Staff Welfare Expenses	**8.21**	0.42
Consultancy Charges	**26.01**	16.74
Electricity & Water Charges	**4.10**	0.00
Rates & Taxes	**9.42**	0.00
Postage and Telephone	**8.89**	0.00
Insurance	**4.60**	3.60
Travelling Expenses	**27.40**	12.47
Vehicle Running Expenses	**3.56**	4.76
Recruitment Expenses	**4.26**	0.12
Bank and Other Financial Charges	**268.38**	46.10
Interest on Term Loan	**169.52**	0.00
Foreign Exchange Fluctuation (Refer Note No. 12(c) & 12(d) of Schedule 15)	**2,704.15**	0.00
Miscellaneous & Other Expenses	**16.60**	2.04
Total	**3,579.46**	127.51
Less : Allocated and Capitalised during the year	**0.00**	0.00
Balance pending allocation transfer to Balance Sheet	**3579.46**	127.51

8) Debtors & Advances recoverable in cash or in kind include the following :

(Rs. in Lacs)

Particulars	Balance as at March 31, 2009	Maximum Outstanding during the Current Year	Balance as at March 31, 2008	Maximum Outstanding during the Previous Year
A) Subsidiary / Step down Subsidiaries				
Polyplex (Thailand) Public Company Ltd	**0.00 ***	**42.07**	37.76 *	37.76
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S.	**0.00 ***	**18.32**	0.00 *	7.48
Polyplex (Americas) Inc.	**0.00 ***	**0.00**	0.00 *	0.53
Polyplex (Americas) Inc. @	**(745.95)****	**1471.72**	427.59 **	536.97
B) Others				
Interest Free advances Employees	**38.88 ***	**48.55**	39.99 *	48.23

* Loans & Advances
** Debtors
@ Advance from subsidiary

9) Advances recoverable in cash or in kind under Loans & Advances (Schedule 8) include - Nil (Previous Year - Rs. 1.67 Lacs) due from the officer/ director. Maximum amount due during the year Rs. 1.67 Lacs (Previous Year - Rs. 3.67 Lacs).

10) The allottee/holder of 16,50,000 Warrants issued by the Company on preferential basis on October 31, 2007, with entitlement to exercise option to apply for equal number of equity shares at a price of Rs.152/- (including premium of Rs. 142/-, 10% upfront amount paid in earlier years amounting to Rs. 250.80 Lacs) per share, has not exercised the option by the last date i.e. April 30, 2009. and accordingly these warrants have lapsed.

11) During the year, the Company has entered into a operating lease agreement for a premise. It is a non- cancellable for a period of six years and renewable thereafter on mutually agreed terms.

(Rs. In Lacs)

Particulars	Lease Payments
Total lease payment for 2008-09 (Recognised in Profit and Loss Account)	12.94
Minimum Lease Payments	
Not later than one year	15.75
Later than one year but not later than five years	71.28
Later than five years	3.36

12) (a) The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Current Year			Previous Year	
	Document Currency	Amount in Document Currency	Amount (Rs. in Lacs)	Amount in Document Currency	Amount (Rs in Lacs)
Loans -Long Term	USD	4,500,000.00	2282.85	6,000,000.00	2406.60
	JPY	1,050,000,000.00	5414.85	0.00	0.00
Loans -FCNRB	USD	500,000.00	253.65	500,000.00	200.55
Loans -PCFC	USD	0.00	0.00	1,720,686.26	690.17
Debtors	EURO	0.00	0.00	12,893.79	8.18
	USD	483,287.05	245.12	3,137,930.52	1258.31
Advance from Debtors	USD	1,470,447.74	745.95	0.00	0.00
	EURO	2,340.51	1.58	0.00	0.00
Advance to Creditors	EURO	7,887,109.99	5011.26	4,468,582.99	2535.73
	USD	0.00	0.00	52,990.88	21.25
	GBP	1,516.17	1.10	5,907.89	4.72
	JPY	4,262,105.00	21.96	132,000.00	0.53
Sundry Creditors	USD	1,089,003.29	558.16	250,701.02	100.56
	GBP	0.00	0.00	503.32	0.40
	EURO	0.00	0.00	1573.59	1.00
Other liabilities	USD	21,728.01	11.02	34,863.38	13.98
Investment in Preference Shares	USD	462,000.00	234.33	462,000.00	185.27

(b) The Company has taken derivative position for proposed capital expenditure/capital commitment. Derivative contracts entered into by the Company and outstanding as on 31st March, 2009 (Previous Year - EURO 30,00,000) are as follows :

Particulars	Currency	Amount
Forward Contract	EURO	1,13,28,471
Forward Contract	USD	30,61,420
SWAP Deal	USD	1,00,00,000

(c) In accordance with the notification, G.S.R. 225(E) dated 31st March 2009, issued by the Central Government with regard to AS-11, the Company has exercised, the one time option available, to adjust the exchange differences arising on long term foreign currency monetary items to the cost of depreciable capital assets in so far as it relates to the acquisition of such assets and in other cases, by transferring to the "Foreign Currency Monetary Item Translation Difference Account".

As a result of the above change in policy: (i) profit for the year and pre- operative expenses is higher by Rs. 553.85 Lacs on account of unrealized exchange differences relating to long term foreign currency monetary items pertaining to depreciable fixed assets, and (ii) in other cases, gain recognised in the year 2007-08 on account of exchange difference relating to long term monetary items amounting to Rs. 92.12 Lacs (net of deferred tax of Rs. 47.44 Lacs.), the same have been adjusted against opening Revenue Reserves. Further, the company has amortised loss of Rs. 202.39 Lacs in the current year and Rs. 252.99 Lacs has been transferred to "Foreign Currency Monetary Item Translation Difference Account" which is remaining to be amortised as on March 31st, 2009. Had the company continued to charge the same as per AS – 11 to the Profit and Loss Account, the profit would have been lower by Rs. 946.41 Lacs.

(d) The Company took certain option structure, forward and interest rate/currency swap contracts to cover the foreign exchange risk related with the import of fixed assets. During the year, the Company has incurred loss of Rs. 1,904.69 Lacs (net) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and Rs. 245.61 Lacs on mark to market on outstanding derivatives as on 31st March 2009 and the same is capitalized/shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the fixed assets.

13) Payments to Auditors:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Audit fee *	**4.41**	3.93
b) Tax audit fee *	**0.50**	0.45
c) Certification & other fees *	**3.75**	3.36
d) Out of pocket expenses	**0.25**	0.25
Total	**8.91**	7.99

* including Service Tax.

14) Particulars in respect of:

a) Licensed & Installed Capacity* -

(Qty in MT.)

Particulars	Current Year		Previous Year	
	Licensed	Installed	Licensed	Installed
– Polyester Film	**N.A.**	**22,900**	N.A.	22,900
– Polyester Chips	**N.A.**	**20,000**	N.A.	20,000

b) Production*

(Qty in MT.)

Particulars	Current Year	Previous Year
Polyester Film		
– Net Production**	**22,921 *****	21,531
– Packed Production****	**22,935**	21,585
Polyester Chips***	**18,009**	18,414

* As certified by the Management.

** Includes 1,083 MT (Previous Year – Nil) of production on Job work for saracote division

*** Captive Consumption 1,740 MT (Previous Year – 790 MT).

**** Includes 42 MT (Previous Year - 62 MT) purchased and reprocessed during the year.

***** Captive consumption 17,425 MT (Previous Year - 18,414 MT).

15) Stock & Sales:

Particulars	Current Year		Previous Year	
	Qty. (MT)	Value (Rs. in Lacs)	Qty. (MT)	Value (Rs. in Lacs)
(a) Opening Stock				
– Polyester Film	**330**	**265.33**	258	227.61
(b) Closing Stock				
– Polyester Film*	**334 ****	**287.35**	330 **	265.33
(c) Sales***				
– Polyester Film	**22,959 ******	**22,685.52**	21,521 ****	18,843.95
– Others		**238.55**		255.24
Total Sales		**22,924.07**		19,099.19

* Includes 22 MT (Previous Year - 11 MT) material purchased and reprocessed.

** Includes 94 MT (Previous Year - 107 MT) material in transit.

*** Includes sale of by-product, scrap, samples, shortages & claims, and reprocessed Film 31 MT (Previous Year - 58 MT).

**** Includes 1,842 MT (Previous Year - 873 MT) of sales to Saracote Division.

16) Particulars of Raw Materials consumed:

Particulars	Current Year		Previous Year	
	Qty. (MT)	Value# (Rs. in Lacs)	Qty. (MT)	Value# (Rs. in Lacs)
Polyester Chips (Bought out)	3653	2,197.67	2523	1,538.37
PTA	15516	6,375.44	15889	6,098.03
MEG	6118	2,494.36	6305	3,138.92
Polyester Film (Bought out)	199	215.24	66	56.44
Additives		579.15		374.39
Total		11,861.86		11,206.35

Net of export incentives etc. (read with Note No.3).

17) Value and percentage of imported and indigenous raw materials and stores & spares consumed:

Particulars	Current Year		Previous Year	
	Value# (Rs. in Lacs)	%	Value# (Rs. in Lacs)	%
Raw Materials #				
– Imported	2,120.88	17.88	1,448.92	12.93
– Indigenous	9,740.98	82.18	9,757.43	87.07
Total	11,861.86	100.00	11,206.35	100
Stores & Spares@				
– Imported	151.64	31.23	189.05	37.85
– Indigenous	354.98	68.77	310.45	62.15
Total	506.62	100	499.50	100

Net of export incentives etc. (read with Note No.3).
@ Net of pre-operative expenses (read with Note No. 7).

18) Expenditure in Foreign Currency:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travelling	68.87	57.16
Consultation fees	71.07	42.90
Interest	221.26	332.78
Finance Charges	1,044.88	0.00
Brokerage & Commission	25.74	40.74
Export Claims	43.68	0.00
Others	28.62	35.00
Total	1,504.12	508.58

19) Earnings in Foreign Exchange:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
FOB Value of Exports (Including deemed exports Rs. 149.83 Lacs, Previous Year - Rs. 162.09 Lacs)	5,617.89	3,738.68
Dividend (Gross) from Subsidiary Companies	692.74	271.96
Total	6,310.63	4,010.64

20) Dividend remitted in Foreign Currency:

Particulars	2008-09	2007-08
Final Dividend	w.r.t F.Y. 2007-08	w.r.t F.Y. 2006-07
Amount of dividend (Rs. In Lacs)	394.74	209.16
Number of non-resident shareholders	2	2
Number of shares held by these non-residents	65,79,067	52,29,067

21) C.I.F. Value of imports:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw material	2307.77	1466.66
Stores & Spares, Chemicals and Packing material	268.96	214.20
Capital Goods	8166.00	111.18
Total	10742.73	1792.04

22) Particulars of Remuneration to Executive/Whole time Directors : -

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary*	85.77	40.50
Contribution to Provident & other Funds	6.90	5.15
Perquisites & other benefits**	62.29	48.25
Total	154.96	93.90

* Includes Rs. 17.18 Lacs towards arrear for previour year.
**Excluding provision for gratuity & leave encashment.
Valuation as per Income Tax Rules

23) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised and charged off/debited to Profit and

loss Account/Pre-operative Expenses pending allocation are as under :

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund	**55.68**	40.08
Employer's Contribution to Superannuation Fund	**22.95**	11.47

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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 for leave encashment is recognised in the same manner as gratuity.

Rs. in Lacs

	Particulars	Gratuity Funded	Gratuity Funded	Leave Encashment Non Funded	Leave Encashment Non Funded
		Current year	Previous year	Current year	Previous year
a)	**Reconciliation of opening and closing balances of**				
	Defined Benefit obligation at beginning of the year	**121.99**	75.01	**30.74**	18.81
	Current Service Cost	**8.54**	10.61	**2.15**	3.99
	Interest Cost	**17.41**	6.00	**5.46**	1.51
	Actuarial (gain)/loss	**44.50**	35.53	**0.17**	6.43
	Benefit paid	**(7.81)**	(5.16)	**0.00**	0.00
	Defined Benefit obligation at year end	**184.63**	121.99	**38.52**	30.74
b)	**Reconciliation of opening and closing balances of fair value of plan assets :**				
	Fair value of plan assets at beginning of the year	**142.06**	94.38	**0.00**	0.00
	Expected return on plan assets	**7.88**	8.41	**0.00**	0.00
	Actuarial gain/(loss)	**3.53**	0.00	**0.00**	0.00
	Employer contribution	**0.00**	44.43	**0.00**	0.00
	Benefit paid	**(7.81)**	(5.16)	**0.00**	0.00
	Fair value of plan assets at year end	**145.66**	142.06	**0.00**	0.00
c)	**Reconciliation of fair value of assets and obligations :**				
	Fair value of plan assets as at year end	**145.66**	142.06	**0.00**	0.00
	Present value of obligation as at year end	**184.63**	121.99	**38.52**	30.74
	Net Assets/(Liability)	**(38.97)**	20.07	**(38.52)**	(30.74)
d)	**Expenses recognized during the year :**				
	Current Service Cost	**17.41**	10.61	**5.46**	3.99
	Interest Cost	**8.54**	6.00	**2.15**	1.51
	Expected return on plan assets	**(7.88)**	(8.41)	**0.00**	0.00
	Actuarial (gain)/loss	**40.97**	35.53	**0.17**	6.43
	Expense recognised in P&L account	**59.04**	43.73	**7.78**	11.93
e)	**Investment Details :**				
	LIC Group Gratuity (Cash Accumulation) Policy	**100.00%**		**100.00%**	
f)	**Actuarial assumption**				
	Mortality Table (L.I.C.)	**1994 – 96 Ultimate**	**1994 – 96 Ultimate**	**1994 – 96 Ultimate**	**1994 – 96 Ultimate**
	Discount rate (per annum)	**7.00%**	8.00%	**7.00%**	8.00%
	Rate of escalation in salary (per annum)	**5.00%**	5.00%	**5.00%**	6.00%

The estimates of rate of escalation in salary considered in actuarial valuation ,take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

24) Earnings Per Share (EPS)

Particulars	Current Year	Previous Year
Net Profit for the year (Rs. In Lacs)	**1,712.53**	1,236.53
Weighted Avg. Number of equity shares used as denominator for calculating Basic EPS	**1,59,92,300**	1,52,04,800
Weighted Avg. Number of equity shares used as denominator for calculating Diluted EPS	**1,76,42,300**	1,58,92,300
Basic EPS (Rs.)	**10.71**	8.13
Diluted EPS (Rs.)	**9.71**	7.78

25) Segment Reporting:

i) The Company is in only one line of business namely Polyester Film.

ii) The Segment Revenue in the geographical segments considered for disclosure is as follows:

(a) Revenues inside India include sales to customers located within India

(b) Revenues outside India include sales to customers located outside India.

Information about Geographical Segments (by location of customer)

(Rs. in Lacs)

Particulars	Within India	Outside India	Total
1 External Revenue – Sales & Other Income	18,020.68 *(16,420.75)*	5,413.93 *(3,808.07)*	23,434.61 *(20,228.02)*
2 Carrying Amount of Segment Assets by location of assets (excluding Investment)	38,482.17 *(19,551.54)*	226.89 *(1,275.38)*	38,709.06 *(20,826.92)*
3 Capital Expenditure	19704.99 *(3,056.53)*	0.00 *(0.00)*	19,704.99 *(3,056.53)*

Figures in brackets represent Previous Year figures.

26) Related Party Disclosures (as identified by Management)

Disclosures as required by AS-18, "Related Party Disclosures" are given below:

A. Parties where control exists

Subsidiary/Step-down Subsidiaries

- Polyplex (Thailand) Public Co. Limited (PTL).
- Polyplex (Asia) Pte. Limited (PAPL)
- Polyplex (Singapore) Pte. Limited (PSPL)
- Polyplex Europa Polyester Film Sanayi Ve Ticaret AS (PE)
- Polyplex (Americas) Inc. (PA)

B. Other related parties with whom transactions have taken place during the year

Key Management Personnel & their relatives

- Shri Sanjiv Saraf (Chairman)
- Shri Pranay Kothari (Executive Director)
- Shri Ranjit Singh (Whole Time Director)

Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:

- Beehive Systems Private Limited
- Manupatra Information Solutions Private Limited
- Beehive Technologies Private Limited (w.e.f. 18.09.08)*
- Altivolus Infotech Private Limited
- Dalhousie Villa Private Limited

* Formerly known as Polyplex Infotech Private Limited

C. Nature of Transactions with related parties

(Rs. in Lacs)

		Subsidiaries of the Company	Key Management Personnel	Enterprises over which significant Influence exists	Total
1	Purchase of material/services	2.89 *(6.17)*	– *(–)*	5.15 *(5.41)*	8.04 *(11.58)*
2	Sale of Material/Services	3,332.58 *(1350.60)*	– *(–)*	72.41 *(68.61)*	3,404.99 *(1419.21)*
3	Managerial Remuneration	– *(–)*	178.79 *(93.90)*	– *(–)*	178.79 *(93.90)*
4	Directors' Sitting fee	– *(–)*	4.60 *(5.20)*	– *(–)*	4.60 *(5.20)*
5	Advances given during the year	61.09 *(63.51)*	– *(–)*	– *(–)*	61.09 *(63.51)*
6	Redemption of Shares	– *(993.54)*	– *(–)*	– *(–)*	– *(993.54)*
7	Dividend Received	692.74 *(271.96)*	– *(–)*	– *(–)*	692.74 *(271.96)*
8	Provision for diminution in Investment written back	– *(–)*	– *(–)*	– *(–)*	– *(–)*
	Outstanding as at year end				
9	Receivables	– *(465.35)*	– *(1.67)*	0.70 *(0.70)*	0.70 *(467.72)*
10	Payables	745.95 *(–)*	– *(–)*	– *(–)*	745.95 *(–)*
11	Investment in Equity/Preference Shares	2230.30 *(2181.24)*	– *(–)*	6.98 *(6.98)*	2237.28 *(2188.22)*

D. Disclosure of Material Transactions with related parties

(Rs. in Lacs)

	Particulars	Subsidiaries of the Company	Enterprises over which significant Influence exists
1	Purchase of material/services		
	– Dalhousie Villa Private Limited	– (–)	4.20 *(4.20)*
	– Polyplex Europa Polyester Film Sanayi Ve Ticaret AS	2.89 *(6.17)*	– (–)
	– Polyplex (Americas) Inc.	– (–)	– (–)
2	Sale of Material/Services		
	– Polyplex (Americas) Inc.	3332.58 *(1350.60)*	– (–)
3	Advances given during the year		
	– Polyplex (Thailand) Public Co. Ltd.	43.02 *(48.56)*	– (–)
	– Polyplex Europa Polyester Film Sanayi Ve Ticaret AS	18.07 *(14.42)*	– (–)
4	Redemption of Shares		
	– Polyplex (Asia) Pte Ltd.	– *(993.54)*	– (–)
5	Dividend Received		
	– Polyplex (Thailand) Public Co. Ltd.	688.73 *(271.96)*	– (–)

Notes : Figures in bracket ( ) indicate previous year figures.

27) (a) Debtors over six months include overdue overseas debtors aggregating to Rs.60.81 Lacs (net of provision of Rs. 20.23 Lacs) where company has initiated legal and other necessary action for recovery.

(b) Balances of certain debtors, creditors, other liabilities and advances are in the process of confirmation and/or reconciliation.

28) (a) The provision for current income tax has been made considering various benefits and allowances available to the Company under the provisions of Income Tax Act, 1961, as assessed by management.

(b) Income Tax assessment in respect of certain years are in process and for certain years some additions have been made. In respect of additions made/disallowances, Company has filed appeals with authorities, pending decisions no provisions has been considered necessary by the Management.

29) In accordance with the provisions of Accounting Standard on Impairment of Assets (AS – 28), the Management has made assessment of assets considering the business prospects related thereto and, accordingly, no provision on account of impairment of assets is considered necessary in these accounts.

30) Figures for Previous Year have been regrouped and/or rearranged, wherever considered necessary to conform to the current year's classification.

31) Figures in the Balance Sheet and Profit & Loss Account have been expressed in Rs. Lacs with two decimals.

B. **SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Accounting

The Company follows the mercantile system of accounting and recognises Income and Expenditure on accrual basis. Insurance/Other Claims are

recognised only when it is reasonably certain that the ultimate collection will be made. The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards and generally accepted accounting principles.

2. Fixed Assets/Capital work in progress

a) Fixed Assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. All realized and unrealized gains and losses on foreign exchange contracts including rollover premium which are attributable to fixed assets are capitalized.

b) Expenditure during construction/erection period is included under capital work in progress and are allocated to the respective fixed assets on completion of construction/ erection.

3. Intangible Assets

Intangible Assets are being recognised if the future economic benefits attributable to the assets are expected to flow to the Company and the cost of the asset can be measured reliably. The same are being amortised over the expected duration of benefits.

4. Borrowing Costs

Borrowing costs attributable to acquisition/ construction of qualifying assets are capitalised with the respective assets, till the date of commercial use of the assets and other borrowing costs are charged to the Profit and Loss Account.

5. Investments

Long-term investments are stated at cost less provision for permanent diminution in the value of such investments. Current investments are stated at lower of cost and net realisable value.

6. Depreciation/Amortisation

Depreciation on fixed assets (including assets acquired under finance lease) is provided on Straight Line Method, except on fixed assets at Khatima of the first Polyester Film Line on which depreciation is provided on Written Down Value method, and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.Leasehold land is amortised over the period of lease. Plant & Machinery pertaining to the polyester film lines has been considered as continuous process as per technical assessment.

7. Foreign Currency Transactions

Foreign currency transactions are accounted at exchange rate on the date of transaction.

Monetary assets and liabilities relating to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to Profit and Loss Account except foreign exchange gain/ loss on reporting of long-term foreign currency monetary items for depreciable assets are capitalized and exchange difference on other long-term foreign currency monetary items are accumulated in " Foreign Currency Monetary Item Translation difference Account " and are amortized over the remaining period of loan or period upto March 2011 whichever is earlier.

Gains/losses on foreign exchange derivative contracts like structured options, forward and swap to hedge interest rate risk and foreign currency risk (including on cancellation) are recognised in the Profit and Loss Account except those which are attributable to fixed assets which are treated (including gain/loss on rollover charges) cost of the assets.

Investment in equity shares of foreign subsidiary companies are stated at the exchange rate at on transaction date. Unrealised Gain/Loss relating to translation of net investment in form of monetary items in non integral operations are recognised in the Foreign Currency Translation Reserves.

8. Inventories

Inventories are valued as follows: -

(i) Raw Materials and Stores & Spares - At lower of cost and net realisable value.

(ii) Stock in process and finished goods - At lower of cost and net realisable value.

Cost for the purpose of valuation has been determined as under :-

(i) Raw material and stores & spares - Weighted Average cost

(ii) Stock in Process and Finished Goods - At raw material cost, labour and related overheads including administrative overheads and depreciation.

9. Retirement Benefits

Company's contribution to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Leave encashment benefit is provided on actuarial valuation basis. Gratuity is accrued on actuarial valuation basis and funded through a Trust for which a policy with Life Insurance Corporation of India has been taken.

10. Government Grants

Grants relating to fixed assets are shown as

deduction from the gross value of the fixed assets and those of the nature of Project Capital subsidy are credited to Capital reserve. Other Government grants are credited to Profit and loss account or deducted from the related expenses.

11. Provision for Tax

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions as per Income Tax Act 1961. Deferred tax is recognised using the enacted/subsequently enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of virtual/reasonable certainty of realisation in respect of deferred tax assets, on all timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

12. Leases

Assets acquired under finance lease, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and are disclosed in the Fixed Assets. Lease payments are apportioned between the finance charges and the reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Lease arrangement where the risks and rewards incidential to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Profit and Loss Account.

13. Impairment

The carrying amount of the Company's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment of asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of Net selling price and value in use.

Post impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life of asset. Reversal of Impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised from the assets no longer exists or have deceased.

14. Provisions, Contingent Liabilities and Contingent Assets

A provision is made/recognised, based on the management estimate required to settle the obligation at balance sheet date, when the Company has a present obligation as a result of past event and it is possible that an outflow embodying economic benefit will be required to settle the obligation. Contingent liabilities, if material, are disclosed by way of notes. Contingent assets are not recognised or disclosed in the financial statements.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	**11596**	State Code	**20**
Balance Sheet Date	**31.03.2009**		

II. Capital Raised during the year (Amount Rs. in Thousands)

Public Issue	**Nil**	Rights Issue	**Nil**
Bonus Issue	**Nil**	Private Placement	**Nil**

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities	**3609337**	Total Assets	**3609337**
Source of Funds			
Paid up Capital	**165709**	Reserves & Surplus	**1147054**
Secured Loans	**2014204**	Unsecured Loans	**104576**
Deferred Tax Liability (net)	**152714**	Equity Share Warrants	**25080**
Application of Funds			
Net Fixed Assets (incl. CWIP)	**3214112**	Investments	**224018**
Net Current Assets	**145908**	Foreign Currency Monetary Item Difference Account	**25299**

IV. Performance of Company (Amount Rs. in Thousands)

Turnover	**2415866**	Total Expenditure	**2144675**
Profit Before Tax	**271191**	Profit After Tax	**171253**
Basic Earnings Per Share (Rs.)	**10.71**	Dividend	**70%**
Diluted Earnings Per Share (Rs.)	**9.71**		

V. Generic Names of Three Principal Products of Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
Polyester Film	**392069**
Polyester Chips	**392069**

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

N. K. Lodha
Partner
Membership No. 85155

Signatures to Schedule 1 to 15

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

AUDITORS' REPORT

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF POLYPLEX CORPORATION LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POLYPLEX CORPORATION LIMITED AND ITS SUBSIDIARIES

1. We have examined the attached consolidated Balance Sheet of Polyplex Corporation Limited and its subsidiaries as at 31st March 2009, and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year then ended.

2. These financial statements are the responsibility of Management of Polyplex Corporation Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the foreign subsidiaries M/s Polyplex (Asia) Pte. Ltd., Polyplex (Thailand) Public Company Ltd., Polyplex (Singapore) Pte. Ltd., Polyplex (Americas) Inc. and Polyplex Europa Polyster Film Sanayi Ve Ticaret A.S. whose financial statements reflect total assets of Rs. 1,33,912.24 Lacs as at 31st March 2009 and total revenues of Rs. 96,433.37 Lacs for the year then ended. These financial statements have been audited by other auditors, as per applicable GAAP in their respective country, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

4. Attention is invited to Note No. 7(d) of Schedule 15 regarding capitalization of Foreign Currency derivative loss incurred in relation to import of capital goods as explained in the said note.

5. We report that the consolidated financial statements have been prepared by the Management of the Company in accordance with the requirements of Accounting Standard (AS 21), Consolidated Financial Statements and other applicable Accounting Standards issued by The Institute of Chartered Accountants of India.

   On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Polyplex Corporation Limited and its subsidiaries, read together with Notes on Accounts of Consolidated Financial Statements, we are of the opinion that:

   (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Polyplex Corporation Limited and its subsidiaries as at 31st March 2009;

   (b) the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Polyplex Corporation Limited and its subsidiaries for the year then ended; and

   (c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Polyplex Corporation Limited and its subsidiaries for the year then ended.

For **Lodha & Co.**
Chartered Accountants

Place : New Delhi
Dated : June 26, 2009

N.K. Lodha
Partner
Membership No. 85155

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

		SCHEDULE	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
I.	**SOURCES OF FUNDS**			
	SHAREHOLDERS' FUNDS			
	Share Capital	1	**1,657.09**	1,657.09
	Equity Share Warrant		**250.80**	250.80
	Reserves & Surplus	2	**61,968.67**	48,098.18
	MINORITY INTEREST		**19,811.08**	15,755.15
	LOAN FUNDS			
	Secured Loans	3	**67,086.00**	45,501.74
	Unsecured Loans	4	**1,045.76**	0.00
	DEFERRED TAX LIABILITY (NET)	5	**1,527.14**	1,410.76
		TOTAL	**153,346.54**	112,673.72
II.	**APPLICATION OF FUNDS**			
	FIXED ASSETS	6		
	Gross Block		**120,498.91**	82,498.98
	Less: Depreciation		**29,267.57**	22,658.45
	Net Block		**91,231.34**	59,840.53
	Capital work in progress (incl. Capital Advances)		**21,752.80**	26,414.60
			112,984.14	86,255.13
	INVESTMENTS	7	**4,988.58**	1,531.53
	Foreign Currency Monetary Item Translation Difference Account		**252.99**	0.00
	Goodwill on Consolidation		**55.32**	49.20
	CURRENT ASSETS, LOANS AND ADVANCES	8		
	Inventories		**15,951.53**	12,168.74
	Sundry Debtors		**19,808.00**	20,511.09
	Cash and Bank Balances		**9,334.67**	1,999.16
	Loans and Advances		**5,215.81**	4,348.79
			50,310.01	39,027.78
	LESS: CURRENT LIABILITIES & PROVISIONS	9		
	Current Liabilities		**12,276.10**	12,755.91
	Provisions		**3,055.03**	2,197.10
			15,331.13	14,953.01
	NET CURRENT ASSETS		**34,978.88**	24,074.78
	MISCELLANEOUS EXPENDITURE (to the extent not written off)		**86.63**	763.08
		TOTAL	**153,346.54**	**112,673.72**
	Notes to Accounts and Significant Accounting Policies	15		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

Schedules referred to above form an integral part of the Balance Sheet

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

		SCHEDULE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I.	**INCOME**			
	Sales & Operational Income		**112,062.61**	100127.65
	(Net of Excise of Rs.2348.30 Lacs, Previous Year - Rs. 2620.88 Lacs)			
	Other Income	10	**2,061.00**	992.64
	Stock Accretion / (Decretion)	11	**(622.45)**	187.92
		TOTAL	**113,501.16**	101,308.21
II.	**EXPENDITURE**			
	Manufacturing Expenses	12	**68,119.40**	69,062.90
	Operating and other Expenses	13	**19,863.66**	14,506.57
	Interest & Finance Charges	14	**3,527.74**	1,940.97
		TOTAL	**91,510.80**	85,510.44
	Profit before Depreciation		**21,990.36**	15797.77
	Depreciation		**5,402.31**	3864.57
	Profit after depreciation/ amortization		**16,588.05**	11,933.20
	Less : Exceptional Items			
	(Gain)/Loss on investment in Preference Shares		**0.00**	151.87
	Profit after Exceptional Items		**16,588.05**	11,781.33
	Less: Provision For Tax			
	- Current Tax		**964.05**	684.87
	- Fringe Benefit Tax		**52.50**	39.50
	- Deferred Tax		**163.84**	(180.25)
			15,407.66	11,237.21
	Less : Prior Period Adjustment - Tax		**5.60**	(36.77)
	Profit After Tax		**15,402.06**	11,273.98
	Less : Minority Interest		**4,360.69**	3,035.81
	Profit after tax and Minority Interest		**11,041.37**	8,238.17
	Add : Surplus brought forward		**26,314.47**	19,511.24
	Balance Available for Appropriation		**37,355.84**	27,749.41
	Transferred to General Reserve		**172.00**	125.00
	Transferred to Legal Reserve		**0.00**	187.33
	Proposed Dividend		**1,119.46**	959.54
	Corporate Dividend Tax		**190.25**	163.07
	Surplus carried to Balance Sheet		**35,874.13**	26,314.47
	Basic Earnings Per Share (in Rs.)		**69.04**	54.19
	Diluted Earnings Per Share (in Rs.)		**62.58**	51.84
	(Refer Note No. 11 of Schedule 15)			
	Notes to Accounts and Significant Accounting Policies	15		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

Schedules referred to above form an integral part of the Profit and Loss Account

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	2008-09 (Rs. in Lacs)		2007-08 (Rs. in Lacs)	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**16,588.05**		11,781.33
Adjusted for: -				
Depreciation/ amortization	**5,466.24**		3,918.72	
Provision for doubtful debts/ bad debts written off	**32.67**		15.91	
Interest (net)	**3,527.74**		1,940.97	
Exchange (gain)/loss on redemption of investments*	**0.00**		151.87	
Unrealised foreign exchange (gain) / loss	**76.78**		(220.20)	
Excess provision / sundry balances written back	**(19.65)**		(8.95)	
Provision for Doubtful Debts written back	**0.00**		(11.42)	
Sundry balances written off	**176.76**		43.09	
Loss on sale of fixed assets (net)	**21.15**		3.96	
Asset written off	**0.07**		4.78	
Profit on sale of investments	**(31.31)**		(231.84)	
Dividend received	**0.00**		(5.19)	
		9,250.45		5,601.71
Operating Profit before Working Capital Changes		**25,838.50**		17,383.04
Adjusted for: -				
Trade and other receivables	**(67.48)**		(8,266.54)	
Inventories	**(3,782.79)**		(1,601.31)	
Trade payables	**(713.90)**	**(4,564.17)**	2,142.30	(7,725.56)
Cash generated from operations		**21,274.33**		9,657.49
Taxes paid		**(706.67)**		(634.32)
Net Cash From Operating Activities		**20,567.66**		9,023.17
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	**(30,266.82)**		(1,857.01)	
Capital Work in Progress including Advances	**5,462.00**		(23,808.78)	
Sale of fixed assets	**83.72**		17.67	
Purchase of short term investments	**(25,281.82)**		(21,526.70)	
Sale of long term investments	**0.00**		(151.87)	
Sale of short term investments	**21,856.08**		25,461.27	
Increase in minority interest (net of dividend paid)	**(304.76)**		(1,048.42)	
Interest/dividend received	**130.78**		174.91	
Net Cash Used In Investing Activities		**(28,320.82)**		(22,738.93)

	2008-09 (Rs. in Lacs)		2007-08 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	**0.00**		2,052.00	
Proceeds from issue of share warrants	**0.00**		250.80	
Proceeds from long term borrowings	**23,904.91**		20,086.60	
Repayment of long term borrowings	**(3,251.65)**		(5,054.91)	
Net proceeds from short term borrowings	**1,853.54**		(2,857.84)	
Interest paid	**(4,104.42)**		(1,770.24)	
Dividends paid	**(953.06)**		(583.77)	
Tax on distributed profits	**(163.07)**		(99.54)	
Net Cash used In Financing Activities		**17,286.25**		12,023.10
D. CHANGE IN CURRENCY FLUCTUATION RESERVE ARISING ON CONSOLIDATION		**(2,197.58)**		809.82
Net Increase In Cash and Cash Equivalents		**7,335.51**		(882.85)
Cash and Cash Equivalents as at 01.04.2008 (Opening Balance)		**1,999.16**		2,882.00
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)		**9,334.67**		1,999.16

* Represents exchange (Gain)/Loss on account of redemption of investment in a subsidiary.

NOTES :

1. Cash and cash equivalents represent cash and bank balances as per Schedule 8.
2. Previous year figures have been regrouped wherever necessary.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

S.G. Subrahmanyan
Vice-Chairman

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Pranay Kothari
Executive Director

Ranjit Singh
Whole Time Director

Manish Gupta
Group C.F.O.

Place : New Delhi
Date : June 26, 2009

Place : NOIDA

SCHEDULE 1

SHARE CAPITAL

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
AUTHORISED			
3,00,00,000 Equity Shares of Rs.10 each		**3,000.00**	3,000.00
ISSUED & SUBSCRIBED			
1,71,88,000 (Previous Year - 1,71,88,000) Equity Shares of Rs.10 each		**1,718.80**	1,718.80
PAID-UP			
1,59,92,300 (Previous Year - 1,59,92,300) Equity Shares of Rs.10 each fully paid up		**1,599.23**	1,599.23
Add: Share Forfeiture Account		**57.86**	57.86
	TOTAL	**1,657.09**	1,657.09

SCHEDULE 2

RESERVES & SURPLUS

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
A.	**CAPITAL RESERVE**		
	Central Investments Subsidy		
	As per last Balance Sheet	**25.00**	25.00
		25.00	25.00
B.	**SHARE PREMIUM**		
	As per last Balance Sheet	**16,130.81**	14851.09
	Addition during the year	**-**	1917.00
	Updation on Translation Adjustment	**2,162.50**	-910.40
	Less : Minority Interest	**648.74**	-273.12
		17,644.57	16,130.81
C.	**LEGAL RESERVE***		
	As per last Balance Sheet	**1,219.20**	1068.77
	Addition during the year	**-**	187.33
	Updation on Translation Adjustment	**151.48**	(36.90)
		1,370.68	1,219.20
D.	**GENERAL RESERVE**		
	As per last Balance Sheet	**1,677.33**	1552.33
	Less: Transfer to Foreign Currency Monetary Item Translation Difference Account (Net of Deferred Tax of Rs. 47.44 Lacs)	**(92.13)**	0.00
	Addition during the year	**172.00**	125.00
		1,757.20	1,677.33
E.	**PROFIT & LOSS ACCOUNT**		
	As per last Balance Sheet	**26,314.47**	19511.24
	Addition during the year	**13,920.35**	9839.04
	Less : Minority Interest	**4,360.69**	3035.81
		35,874.13	26,314.47
F.	**FOREIGN EXCHANGE TRANSLATION RESERVE (Including on Consolidation)**		
	As per last Balance Sheet	**2,731.37**	2216.72
	Addition during the year	**2,946.16**	937.18
	Less : Minority Interest	**380.44**	422.53
		5,297.09	2731.37
	TOTAL	**61,968.67**	48,098.18

* Legal Reserve is set up by Polyplex (Thailand) Public Company Limited (Subsidiary Company) as per applicable GAAP.
Legal Reserve is not available for dividend distribution.

SCHEDULE 3

SECURED LOANS

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
Loans from Banks		
- Rupee Term Loans	**9,653.43**	4,142.00
- Foreign Currency Term Loans	**53,155.42**	38,963.59
- Working Capital Loans		
Foreign Currency Working Capital Demand Loans	**1,739.89**	932.23
Packing Credit Loans - INR	**324.79**	
Cash Credit	**2,098.69**	244.73
Export Packing Credit Foreign Currency Loans	**0.00**	1144.01
- Vehicle Loan	**34.06**	53.02
- Interest accrued & due	**79.72**	22.16
TOTAL	**67,086.00**	45,501.74

Notes in respect of security clause, are disclosed in separate respective financial statements of the Company and its subsidiaries.

SCHEDULE 4

UNSECURED LOANS

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
Foreign Currency Term Loan from Bank	**1,045.76**	0.00
TOTAL	**1,045.76**	0.00

SCHEDULE 5

DEFERRED TAX ASSETS AND LIABILITIES
(Arising out of timing differences)

	As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
DEFERRED TAX ASSETS		
– Disallowances as per Income Tax Act	**47.93**	18.85
	47.93	18.85
DEFERRED TAX LIABILITY		
– Depreciation	**(1,575.07)**	(1429.61)
	(1,575.07)	(1,429.61)
DEFERRED TAX LIABILITY (NET)	**(1,527.14)**	(1,410.76)

SCHEDULE 6

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2008	Additions during the year	Sale/ adjust-ments*	**As at March 31, 2009**	As at April 01, 2008	For the year	Sale/ adjust-ments	**As at March 31, 2009**	**As at March 31, 2009**	As at March 31, 2008
Freehold Land	2,185.70	810.32	214.45	**3,210.47**	–	–	–	**–**	**3,210.47**	2,185.70
Leasehold Land	472.59	–	–	**472.59**	63.01	5.25	0.00	**68.26**	**404.33**	409.58
Buildings	10,545.72	4,785.43	804.13	**16,135.28**	1,513.32	415.75	96.87	**2,025.94**	**14,109.34**	9,032.39
Plant & Machinery	66,249.89	24,685.43	6,176.49	**97,111.81**	19,609.24	4,633.13	1,209.90	**25,452.27**	**71,659.54**	46,640.65
Electrical Installations	569.14	12.11	(0.01)	**581.24**	217.67	25.61	–	**243.28**	**337.96**	351.47
Furniture & Fixtures	969.84	234.81	(136.06)	**1,068.59**	369.84	88.36	25.01	**483.21**	**585.38**	600.00
Office Equipments	825.72	125.97	190.92	**1,142.61**	502.11	116.76	0.24	**619.11**	**523.50**	323.61
Vehicles	617.47	219.15	(92.16)	**744.46**	362.90	104.48	(91.88)	**375.50**	**368.96**	254.57
Rights	62.92	–	(31.06)	**31.86**	20.36	12.97	(33.33)	**–**	**31.86**	42.56
Total	82,498.98	30,873.22	7,126.71	**120,498.91**	22,658.45	5,402.31	1,206.81	**29,267.57**	**91,231.34**	59,840.53
Previous Year	82,673.15	1,098.03	(1,272.19)	**82,498.98**	19,070.32	3,864.58	(276.44)	**22,658.45**	**59,840.53**	63,602.84

*Note:- Sale/Adjustment includes adjustment of foreign exchange fluctuation gain of Rs. 7409.08 Lacs. (Previous Year loss of Rs.1206.88 Lacs)

SCHEDULE 7

INVESTMENTS

	Face Value	**Nos. March 31, 2009**	Nos. March 31, 2008	**As at March 31, 2009 (Rs. in Lacs)**	As at March 31, 2008 (Rs. in Lacs)
LONG TERM (At Cost Less Provision)					
Other than Trade					
Unquoted - Shares (Fully Paid up unless otherwise stated)					
EQUITY/ORDINARY SHARES					
Investment in Other Companies					
Polyplex Infotech Private Limited	Rs.10	**69,800**	69,800	**6.98**	6.98
Excel International Limited	Rs.10	**4,020**	4,020	**0.40**	0.40
Bhilangana Hydro Power Limited	Rs.10	**25,000**	25,000	**2.50**	2.50
Polyplex (Americas) Inc. * (USD 125000) (common stock, no par value)		**-**			
MUTUAL FUNDS					
DWS Insta Cash Plus - Growth	Rs.10	**-**	628,778	**-**	80.00
Reliance Liquidity Fund - Growth	Rs.10	**-**	11,854,117	**-**	1,441.65
Other Investments				**4,978.70**	-
				4,988.58	1,531.53
Less : Provision for diminution in value of Investments				**-**	-
	Grand Total			**4,988.58**	1,531.53

SCHEDULE 8

CURRENT ASSETS, LOANS AND ADVANCES

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
A.	**CURRENT ASSETS**		
	INVENTORIES		
	(as valued and certified by the Management)		
	(at lower of cost and net realisable value)		
	Stores & Spares	**2,918.15**	2187.94
	Raw Materials	**8,263.04**	6711.31
	(including in transit Rs. 2862.71 Lacs, Previous Year - Rs. 2587.68 Lacs)		
	Stock in Process	**2,818.47**	2000.43
	Finished Goods (including Scrap stock Rs. 19.65 Lacs, Previous Year - Rs.11.11 Lacs)	**1,951.87**	1269.06
	(including in transit stock Rs.132.88 Lacs , Previous Year - 100.55 Lacs)		
	Sub Total	**15,951.53**	12,168.74
	SUNDRY DEBTORS (Unsecured)		
	Debtors outstanding for a period exceding six months		
	– Considered good	**105.93**	91.92
	– Considered doubtful	**35.67**	35.19
	Other Debtors		
	– Considered good	**19,702.07**	20419.17
		19,843.67	20,546.28
	Less: Provision for doubtful debtors	**35.67**	35.19
	Sub Total	**19,808.00**	20,511.09
	CASH & BANK BALANCES		
	Cash in hand	**65.23**	264.72
	Cheques in hand	**286.68**	613.23
	Bank balances with scheduled banks		
	– Current Accounts	**208.62**	313.81
	– Dividend Accounts	**1,817.10**	56.74
	– Fixed Deposits*	**134.37**	49.04
	Bank balances with non-scheduled banks		
	– Current Accounts	**6,822.67**	701.62
	Sub Total	**9,334.67**	1,999.16
	TOTAL (A)	**45,094.20**	34,678.99
B.	**LOANS AND ADVANCES (Unsecured Considered Good)**		
	Advances recoverable in cash or in kind or for value to be received	**2,426.42**	2164.52
	Inter Corporate Deposits	**684.00**	434.00
	Deposits with Government Authorities & Others	**258.23**	201.89
	Advance Tax	**1,168.66**	903.08
	Advance Fringe Benefit Tax	**161.62**	118.60
	Balances with Customs & Excise	**516.88**	526.70
	TOTAL (B)	**5,215.81**	4348.79
	TOTAL (A+B)	**50,310.01**	39,027.78

* Includes Rs. 89.37 Lacs (Previous Year - Rs. 46.34 Lacs) pledged with banks towards margin against Guarantees, Letters of Credit and Foreign Bill Purchase limit.

SCHEDULE 9

CURRENT LIABILITIES & PROVISIONS

		As at March 31, 2009 (Rs. in Lacs)	As at March 31, 2008 (Rs. in Lacs)
A.	**CURRENT LIABILITIES**		
	Sundry Creditors	**8,214.14**	10793.94
	Sundry Creditors - Bajpur Project	**361.85**	245.79
	Security deposits / advances from tenants	**93.84**	
	Investor Education and Protection Fund shall be credited by the following amounts, when due :-		
	– Unpaid Dividend	**63.21**	56.74
	Other liabilities	**3,380.65**	990.85
	Interest accrued but not due	**162.41**	668.59
		12,276.10	12,755.91
B.	**PROVISIONS**		
	Provision for Wealth Tax	**1.31**	0.78
	Provision for Income Tax	**1,493.05**	922.01
	Provision for Fringe Benefit Tax	**173.47**	120.95
	Proposed Dividend (including Corporate Dividend Tax)	**1,309.71**	1122.61
	Provision for Retirement Benefits	**77.49**	30.74
	Sub Total	**3,055.03**	2,197.10
	TOTAL	**15,331.13**	14,953.01

SCHEDULE 10

OTHER INCOME

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Income from Property let out		
– Rent	**419.52**	584.79
Miscellaneous receipts	**131.64**	149.17
Profit on sale of current investments	**31.31**	231.84
Dividend income	**–**	5.19
Excess provision written back	**19.65**	8.95
Provision for doubtful debtors written back	**–**	11.42
Foreign exchange fluctuation (Net)	**1,451.17**	–
Prior period income	**7.71**	1.28
TOTAL	**2,061.00**	992.63

SCHEDULE 11

STOCK ACCRETION / (DECRETION)

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
CLOSING STOCKS		
– Finished Goods	**1,951.87**	1269.06
– Stock in Process - Others	**2,174.83**	1475.53
– Stock in Process - Chips	**522.63**	427.80
– Stock in Process - Thermal Lamination	**121.01**	97.10
	4,770.34	3,269.49
Less : Stock at the start of commercial production	**0.00**	0.00
	4,770.34	3,269.49
OPENING STOCKS		
– Finished Goods	**1,269.06**	1603.55
– Stock in Process - Others	**1,475.53**	862.35
– Stock in Process - Chips	**2,556.43**	623.57
– Stock in Process - Thermal Lamination	**97.10**	–
	5398.12	3,089.48
Add : Increase / (Decrease) in Excise Duty on Stocks	**(5.33)**	(7.90)
TOTAL	**(622.45)**	187.91

SCHEDULE 12

MANUFACTURING EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Materials Consumed	**51,867.15**	57230.93
Job Work Charges	**5.69**	39.70
Stores & Spares Consumed	**2,263.90**	1668.69
Packing Material Consumed	**4,174.18**	3435.30
Power & Fuel	**9,084.85**	6191.04
Repairs and Maintenance		
– Building	**107.42**	19.25
– Plant & Machinery	**616.21**	478.00
TOTAL	**68,119.40**	69,062.90

SCHEDULE 13

OPERATING AND OTHER EXPENSES

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
A.	**PERSONNEL EXPENSES**		
	Salaries, Wages and Allowances	**6,484.88**	4705.56
	Contribution to Provident and other Funds	**498.65**	357.03
	Staff welfare expenses	**793.99**	630.73
	Sub Total	**7,777.52**	5,693.32
B.	**ADMINISTRATIVE EXPENSES**		
	Rent	**136.26**	112.79
	Electricity & Water Charges (Net)	**80.29**	75.02
	Repairs & Maintenance (Net)	**210.08**	40.08
	Rates and Taxes	**24.45**	47.60
	Postage and Telephone	**243.73**	213.63
	Printing and Stationery	**61.09**	49.34
	Travelling and Conveyance	**641.72**	552.35
	Vehicle expenses	**304.92**	227.01
	Foreign Exchange Fluctuation (Net)	**0.00**	16.82
	Insurance	**675.86**	592.27
	Legal and Professional Fee	**905.73**	564.70
	Miscellaneous Expenses	**470.96**	536.41
	IT Maintenance	**341.29**	4.58
	Directors' Sitting Fee	**58.97**	14.20
	Sub Total	**4,155.35**	3,046.79
C.	**SELLING EXPENSES**		
	Advertisement	**5.22**	10.33
	Sales promotion	**78.92**	50.75
	Freight	**5,747.47**	4646.01
	Sample to Customers	**75.54**	67.55
	Commission on Sales	**1,589.00**	776.58
	Other Selling Expenses	**122.18**	55.55
	Sub Total	**7,618.33**	5,606.77
D.	**OTHER EXPENSES**		
	Assets written off	**0.07**	4.78
	Loss on Sale of Fixed Assets (Net of Profit of Rs. 12.75 Lacs, Previous Year - Rs. 0.21 Lacs)	**21.15**	3.96
	Excise Duty (Net of Recovery)	**2.95**	6.48
	Donation	**14.93**	8.00
	Prior period expenses	**0.00**	23.3
	Amortisation for Pre operative expenses	**63.93**	36.10
	Provision for Doubtful Debtors	**0.23**	0.00
	Sundry Balances written off (Net)	**176.76**	61.14
	Bad Debts written off	**32.44**	15.91
	Sub Total	**312.46**	159.69
	TOTAL	**19,863.66**	14,506.57

SCHEDULE 14

INTEREST & FINANCE CHARGES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest on Term Loans	**2,980.98**	1713.01
Interest on Working Capital Loans	**384.37**	221.95
	3,365.35	1,934.96
Less : Interest on deposits	**142.38**	164.88
Less : Interest on others	**7.82**	7.82
	3,215.15	1,762.26
Bank & other financial charges	**312.59**	178.71
TOTAL	**3,527.74**	1,940.97

SCHEDULE – 15
SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

(a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

(b) Accounting Assumption

The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the Generally Accepted Accounting Principles (GAAP). However, in respect of the subsidiaries, these financial statements are prepared in conformity with generally accepted accounting principles in the respective countries on accrual basis. Accordingly, the financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the generally accepted accounting principles and practices.

(c) Operations of foreign subsidiaries have been considered non-integral by the Management; thus all Assets and Liabilities are converted at the rates prevailing at the end of the year and Revenue items have been consolidated at the average rate prevailing during the year. Exchange gain/loss arising on translation of financial statements of foreign subsidiaries is shown under the head 'Foreign Currency Translation Reserve' in the Consolidated Balance Sheet.

(d) The excess of cost to the Company, of its investment in the subsidiary Company, over the Company's portion of equity is recognised in the financial statement as Goodwill.

(e) The Consolidated Financial Statements (CFS) comprise the financial statements of Polyplex Corporation Limited (PCL) and its wholly owned and controlled subsidiaries as on 31.03.2009, as given below:

Name of the Company	Country of Incorporation	% Share-holding & Voting Power
Polyplex (Asia) Pte. Ltd. (PAPL)	Singapore	100%
Polyplex (Thailand) Public Company Limited (PTL)	Thailand	70%*
Polyplex (Singapore) Pte. Ltd. (PSPL)	Singapore	100%**
Polyplex Europa Polyester Film Sanayi Ticaret A.S. (PE)	Turkey	100%***
Polyplex (Americas) Inc. (PA)	U.S.A.	90.12% ****

* Includes 145 (Previous Year - 145) ordinary shares not registered in the name of the Company, beneficial interest being held by PCL and PAPL.

** 100% subsidiary of PTL.

*** 100% subsidiary of PSPL. Includes 4 shares not registered in the name of the PSPL, beneficial interest being held by PSPL.

**** 80.24% shares being held by PTL and 9.88% shares being held by PCL.

(f) Accounting Policies and Notes to Accounts of the financial statements of the Company and its Subsidiaries are set out in their respective financial statements

(g) The policy adopted by different subsidiaries on depreciation is enumerated below: -

PTL (including subsidiaries): Land is stated at cost. Buildings and Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment assets (if any).

Depreciation of Plant & Equipment is calculated by reference to their costs on the straight -line basis over the following useful estimated lives:

Building & Improvements	20, 50 years
Machinery & Equipment	18 - 20 years
Furniture, fixtures and office equipments	5 - 10 years
Motor Vehicles	5 - 7 years

(h) In case of PTL, front-end fee of the loan paid to financial institution is deferred and amortized on a straight-line basis over the period of loan agreement.

(i) Employees Benefits

The policy on employees benefits differ in case of PE where in accordance with the existing social legislation in Turkey, the Company is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of liability is based upon the retirement pay ceiling announced by the Government. Such payments are calculated on the basis of 30 days' pay, (limited to a maximum of EUR 1,015 at March 31, 2009) per year of employment at the rate of pay applicable at the date of retirement or termination.

(j) Foreign Currency Transactions

In case of PTL (including subsidiaries), gain/loss on exchange difference (including derivative instruments) are transferred to Profit & Loss A/c.

(k) Certain policies such as depreciation, deferred charges, employees benefits & foreign currency transactions (as stated above), differ from those followed by the Holding Company. The impact of the above differences has not been computed.

NOTES TO ACCOUNTS

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs. 6,244.09 Lacs , Previous Year - Rs. 2,547.77 Lacs) - Rs. 23,966.86 Lacs (Previous Year- Rs. 21,078.78 Lacs).

3. Contingent Liabilities not provided for in respect of:

   a) Disputed matters under litigation:

(Rs. in Lacs)

Particulars	**Current Year**	Previous Year
Sales Tax & Entry Tax	**283.74**	315.78
Excise Duty & Customs Duty	**22.95**	311.86
Income Tax	**73.54**	89.54
Others	**14.95**	19.14

   b) Bills discounted with banks - Nil (Previous Year - Nil).

   c) Customs duty (excluding interest and penalty) which may arise if obligation for exports is not fulfilled against import of machinery under Export Promotion Capital Goods (EPCG) Scheme: -

(Rs. in Lacs)

Particulars	**Current Year**	Previous Year
a) Gross of Modvat	**1627.82**	196.97
b) Net of Modvat	**854.42**	75.63

   d) Counter Guarantees given to the Banks – Rs. 21,309.54 Lacs (Previous Year - Rs. 29,349.69 Lacs) including Rs.17.50 Lacs (Previous Year - Rs.57.90) on behalf of other bodies corporate.

   e) **Service Agreements**

Polyplex (Thailand) Public Company Limited

As at 31st March, 2009, the Company had commitments totalling Rs.137.07 Lacs (Previous Year - Rs. 273.05 Lacs) under various service agreements. These agreements terminate between June 2009 and July 2010.

4. **Polyplex (Thailand) Public Company Limited**

The Company has received promotional privileges from the Board of Investments for the manufacture of polyester films, metallized films, laminated polyester films and PET resins. The Company must comply with certain conditions and restrictions provided for in the promotional certificates.

5. The Allottee /holder of 16,50,000 Warrants issued by the Company on preferential basis on October 31, 2007, with entitlement to exercise option to apply for equal number of equity shares at a price of Rs.152/- (including premium of Rs. 142 /-, 10% upfront amount paid in earlier year amounting to Rs. 250.80 Lacs) per share, has not exercised the option by the last date i.e. April 30, 2009. and accordingly these warrants have lapsed.

6. Balances of certain debtors, creditors, other liabilities and advances are in the process of confirmation and / or reconciliation.

7. (a) The Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise are as follows:

Particulars	Document Currency	Current Year		Previous Year	
		Amount in Document Currency	Amount in Rupees (in Lacs)	Amount in Document Currency	Amount in Rupees (in Lacs)
Loans – Long Term	USD	4,500,000.00	2282.85	6,000,000.00	2406.60
	JPY	1,050,000,000.00	5414.85	0.00	0.00
Loans – FCNRB	USD	500,000.00	253.65	500,000.00	200.55
Loans – PCFC	USD	0.00	0.00	1,720,686.26	690.17
Debtors	EUR	0.00	0.00	12,893.79	8.18
	USD	483,287.05	245.12	3,137,930.52	1258.31
Advance fm Debtors	USD	1,470,447.74	745.95	0.00	0.00
	EUR	2,340.51	1.58	0.00	0.00
Advance to Creditors	EUR	7,887,109.99	5011.26	4,468,582.99	2535.73
	USD	0.00	0.00	52,990.88	21.25
	GBP	1,516.17	1.10	5,907.89	4.72
	JPY	4,262,105.00	21.96	132,000.00	0.53
Sundry Creditors	USD	1,089,003.29	558.16	250,701.02	100.56
	GBP	0.00	0.00	503.32	0.40
	EUR	0.00	0.00	1573.59	1.00
Other liabilities	USD	21,728.01	11.02	34,863.38	13.98
Investment in Preference Shares	USD	462,000.00	234.33	462,000.00	185.27

(b) The Company has taken derivative position for proposed capital expenditure/ capital commitment. Derivative contracts entered into by the Company and outstanding as on 31st March, 2009 (Previous Year– EURO 30,00,000) are as follows :

Particulars	Currency	Amt. (in Fx)
Forward Contract	EURO	1,13,28,471
Forward Contract	USD	30,61,420
SWAP Deal	USD	1,00,00,000

(c) In accordance with the notification, G.S.R. 225(E) dated 31st March 2009, issued by the Central Government with regard to AS-11, the Company has exercised, the one time option available, to adjust the exchange differences arising on long term foreign currency monetary items to the cost of depreciable capital assets in so far as it relates to the acquisition of such assets and in other cases, by transferring to the "Foreign Currency Monetary Item Translation Difference Account".

As a result of the above change in policy: (i) profit for the year and pre-operative expenses are higher by Rs. 553.85 Lacs on account of unrealized exchange differences relating to long term foreign currency monetary items pertaining to depreciable fixed assets, and (ii) in other cases, gain recognised in the year 2007-08 on account of exchange difference relating to long term monetary items amounting to Rs. 92.12 Lacs (net of deferred tax of Rs. 47.44 Lacs.), the same have been adjusted against opening Revenue Reserves. Further, the Company has amortised loss of Rs. 202.39 Lacs in the current year and Rs. 252.99 Lacs has been transferred to "Foreign Currency Monetary Item Translation Difference Account" which is remaining to be amortised as on March 31st, 2009. Had the Company continued to charge the same as per AS – 11 to the Profit and Loss Account, the profit would have been lower by Rs. 946.35 Lacs.

(d) The Company took certain option structure, forward and interest rate / currency swap contracts to cover the foreign exchange risk related with the import of fixed assets. During the year 2008-09, the Company has incurred loss of Rs. 1,904.69 Lacs (net) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and Rs. 245.61 Lacs on mark to market on outstanding derivatives as on 31st March 2009 and the same is capitalized / shown as part of pre-operative expenses, based on the expert opinion as the same is attributable to the fixed assets.

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED (INCLUDING SUBSIDIARIES)

Particulars	Currency	Amount
Forward Contract	EURO	27,00,000
Forward Contract	JPY	8,54,00,000
Forward Contract	USD	78,00,000

8. **Payment to Auditors**: Current Year Rs. 98.01 Lacs (Previous Year - Rs.76.88 Lacs)

9. **Operating Lease**

POLYPLEX CORPORATION LIMITED

The Company has during the year taken one premise under operating lease agreement. It is not cancellable for six years and renewable by mutual consent on mutually agreed terms.

(Rs. In Lacs)

Particulars	Lease Payments
Total lease payment for 2008-09 (Recognised in Profit and Loss Account)	12.94
Minimum Lease Payments	
Not later than one year	15.75
Later than one year but not later than five years	71.28
Later than five years	3.36
Total	**90.39**

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED

The Company has entered into several lease agreements in respect of lease of office building space, motor vehicles and equipment.

Future minimum rental payables under these leases as at 31st March, 2009 are as follows:

Payables within	Rs. in Lacs
Not later than one year	33.14
Later than one year but not later than five years	39.43
Total	**72.57**

10. **(A) Primary Segment :**

Information about Business Segment:

a. The Company and its subsidiaries namely PTL, PE and PA are in the same line of business namely Polyester Film.

b. Subsidiaries namely PAPL and PSPL are Investment Companies.

Rs. in Lacs

Sl. No.	Particulars	Polyester Film	Others	Total
A.	**REVENUE**			
1	Sales & Operational Income	112,062.61 *(100,127.65)*	0.00 *0.00*	112,062.61 *(100,127.65)*
	Total	112,062.61 *(100,127.65)*	– –	112,062.61 *(100,127.65)*
2.1	Other Income	1,880.05 *(739.43)*	141.93 *(3.49)*	2,021.98 *(742.92)*
2.2	Unallocated Corporate Income	– –	– –	39.02 *(249.73)*
	Total	– –	– –	2,061.00 *(992.64)*
3	**Total Revenue**	– –	– –	114,123.61 *(101,120.29)*
B.	**RESULTS**			
1	Segment Result (PBIT)	20,001.50 *(13,686.06)*	122.65 *(14.38)*	20,124.14 *(13,671.68)*
2	Unallocated Corporate Income/(Expenses) Net	– –	– –	(8.35) *(202.50)*
3	Interest Expense	3,527.52 *(1,937.99)*	0.22 *(2.98)*	3,527.74 *(1,940.97)*
4	Exceptional Items	– –	– –	– *(151.87)*
5	Profit Before Tax	– –	– –	16,588.05 *(11,781.33)*
6	Provision for Current Tax	964.05 *(684.87)*	– –	964.05 *(684.87)*
7	FBT	52.50 *(39.50)*	– –	52.50 *(39.50)*
8	Deferred Tax	163.84 *(180.25)*	– –	163.84 *(180.25)*
9	Prior Period Tax Adjustment	5.60 *(36.77)*	– –	5.60 *(36.77)*
10	Profit after Tax	– –	– –	15,402.06 *(11,273.98)*
C	**OTHER INFORMATION**			
1	Segment Assets	157,581.74 *(124,230.52)*	4,382.13 *(30.72)*	161,963.87 *(124,261.24)*
2	Unallocated Corporate Assets	– –	– –	6,460.81 *(3,365.49)*
3	Total Assets	– –	– –	168,424.68 *(127,626.73)*
4	Segment Liabilities	80,481.77 *(58,285.25)*	3.58 *(3.13)*	80,485.35 *(58,288.38)*
5	Unallocated Corporate Liabilities	– –	– –	1,667.83 *(2,166.36)*
6	Total Liabilities	– –	– –	82,153.18 *(60,454.74)*
7	Capital Expenditure	26,211.42 *(24,906.81)*	– –	26,211.42 *(24,906.81)*
8	Depreciation	5,402.31 *(3,864.57)*	– –	5,402.31 *(3,864.57)*

Note :- Figures in bracket ( ) indicate Previous Year figures

(B) Secondary Segment

Information about Geographical Segment:

(a) Revenues inside India includes sales to customers located within India

(b) Revenues outside India include sales to customers located outside India.

(Rs. in Lacs)

	Information about Geographical Segments (by location of customer and assets)	India	Outside India	Total
1	External Revenue - Sales & Other Income	18020.68 *(16420.75)*	96063.91 *(84461.22)*	114084.59 *(100870.56)*
2	Carrying Amount of Segment Assets by location of assets	38482.18 *(19551.53)*	100989.46 *(78295.11)*	139471.64 *(97846.63)*
3	Capital Expenditure	19537.99 *(3056.53)*	6673.42 *(21850.28)*	26211.42 *(24906.81)*

Note :- Figures in bracket ( ) indicate previous Year figures

11. Earnings Per Share (EPS)

	Current Year	Previous Year
Net Profit / (Loss) for the year (Rs. in Lacs)	**11077.45**	8238.17
Weighted Avg. Number of equity shares used as denominator for calculating Basic EPS	**1,59,92,300**	1,52,04,800
Weighted Avg. Number of equity shares used as denominator for calculating Diluted EPS	**1,76,42,300**	1,58,92,300
Basic EPS (Rs.)	**69.27**	54.19
Diluted EPS (Rs.)	**62.58**	51.84

12. Related Party Disclosures.

Related Party Disclosures as required by AS-18, "Related party Disclosures" are given below:

Related parties with whom transactions have taken place during the year

A. Key Management Personnel & their relatives

- Shri Sanjiv Saraf (Chairman).
- Shri Pranay Kothari (Whole Time Director)
- Shri Ranjit Singh (Whole Time Director)

B. Enterprises over which Key Management Personnel, their relatives and major shareholders have significant influence:

- Beehive Systems Private Limited

- Polyplex Infotech Private Limited
- Manupatra Information Solutions Private Limited
- Altivolus Infotech Private Limited
- Dalhousie Villa Private Limited
- Beehive Technologies Private Limited w.e.f. 18.09.2008 *

* Formerly known as Polyplex Infotech Private Limited

C. Nature of Transactions with related parties

(Rs in Lacs)

Particulars	Key Management Personnel	Enterprises over which significant Influence exists	Total
Purchase of material/services	- (-)	5.15 (5.41)	5.15 (5.41)
Sale of Material/Services	- (-)	72.41 (68.61)	72.41 (68.61)
Managerial Remuneration	680.90 (552.50)	- (-)	680.90 (552.50)
Director Sitting fee	4.60 (5.20)	- (-)	4.60 (5.20)
Receivables	0.00 (1.67)	0.70 (0.70)	0.70 (2.37)
Investment in Equity/ Preference Shares	- (-)	6.98 (6.98)	6.98 (6.98)

D. Disclosure of Material Transactions with related parties

(Rs. in Lacs)

Particulars	Subsidiaries of the Company	Enterprises over which significant Influence exists
Purchase of material/services – Dalhousie Villa Private Limited	- (-)	4.20 (4.20)

Notes :-
Guarantees given by Key Management Personnel for loans from Banks / Financial Institutions.
Figures in brackets represent figures of Previous Year.

13. Figures for Previous Year have been regrouped and rearranged wherever considered necessary

14. Figures in the Balance Sheet and Profit & Loss Account have been expressed in Rs. in Lacs with two decimals.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : June 26, 2009

Sanjiv Saraf
Chairman

Pranay Kothari
Executive Director

Manish Gupta
Group C.F.O.

S.G. Subrahmanyan
Vice-Chairman

Ranjit Singh
Whole Time Director

Ravi Kumar
Sanjiv Chadha
Suresh Surana
B.K. Soni
Directors

Place : NOIDA

DETAILS OF SUBSIDIARY COMPANIES (2008-09)

Name of the Subsidiary Company	Polyplex (Asia) Pte. Ltd. Singapore		Polyplex (Thailand) Public Company Ltd., Thailand		Polyplex (Singapore) Pte. Ltd. Singapore		Polyplex Europa Polyester Film Sanayi ve Ticaret Anonim Sirketi - Turkey		Polyplex (Americas) Inc. USA	
	U S $ (in Lacs)	Indian Rupees (in Lacs)	Thai Baht (in Lacs)	Indian Rupees (in Lacs)	Euro (in Lacs)	Indian Rupees (in Lacs)	Euro (in Lacs)	Indian Rupees (in Lacs)	U S $ (in Lacs)	Indian Rupees (in Lacs)
a. Capital	15.92	807.54	8000.00	11422.40	448.47	30107.90	40.36	2709.56	54.25	2751.83
b. Reserves	138.27	7013.75	30932.34	44165.20	38.36	2575.29	185.49	12452.82	6.64	336.81
c. Total Assets	154.21	7822.30	60866.94	86905.82	486.87	32685.87	1027.40	68974.19	173.24	8787.60
d. Total Liabilities	154.21	7822.30	60866.94	86905.82	486.87	32685.87	1027.40	68974.19	173.24	8787.60
e. Details of Investment (other than in subsidiaries)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f. Turnover	51.04	2342.34	33722.30	45393.59	10.65	693.45	718.29	46769.73	422.91	19408.27
g. Profit Before Taxation	50.86	2334.08	6141.72	8267.37	10.47	681.73	97.66	6358.90	10.69	490.59
h. Provision for Taxation	0.08	3.79	0.00	0.00	0.001	0.07	0.26	16.93	3.69	169.34
I. Profit After Taxation	50.78	2330.41	6141.72	8267.37	10.47	681.66	97.40	6341.97	7.00	321.25
j. Proposed Dividend	94.00	4313.87	4160.00	5599.78	0.00	0.00	0.00	0.00	1.75	80.38

Note :

The Financial Statements of the subsidiary Companies have been converted into Indian Rupess on the basis of appropriate exchange rate. Refer Note No. 1(c) of Schedue 15 to Consolidated Accounts.

The Central Government has exempted the Company from the provisions of Section 212(1) of the Companies Act, 1956, requiring to attach a copy of the each Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidary Companies.

The Company will make available these documents / details upon request by any investor of the Company and its susidiaries interested in obtaining the same. The annual accounts of the subsidiary companies are also kept for inspection by any investor at the registered office/head office of the Company and its subsidiary companies between 11.00 a.m. to 1.00 p.m. on all working days.

NOTES

NOTICE

NOTICE is hereby given that the Twenty-fourth Annual General Meeting of the members of Polyplex Corporation Limited will be held at the Registered Office of the Company at Lohia Head Road, Khatima 262308, Distt. Udham Singh Nagar, Uttarakhand, on **Wednesday, 30th day of September, 2009 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.

2. To declare dividend.

3. To appoint a Director in place of Shri Sanjiv Chadha who retires by rotation and being eligible offers himself for reappointment.

4. To appoint a Director in place of Shri Sanjiv Saraf who retires by rotation and being eligible offers himself for reappointment.

5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Pranay Kothari be and is hereby reappointed as Whole Time Director designated as Executive Director of the Company for a period of three years with effect from **September 7, 2009** on the terms and conditions as set out herein and subject to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such sanctions, if any, as may be necessary in law :-

a)	Salary	:	Rs. 2,00,000 per month, in the scale of Rs. 2,00,000 - Rs. 3,00,000.
b)	Special Allowance	:	Rs. 75,000 per month in the scale of Rs. 75,000 - Rs. 2,00,000.
c)	Performance Incentive	:	As may be decided by the Board/Remuneration Committee subject to ceiling of Rs. 35,00,000 per annum.
d)	Perquisites	:	In addition to the salary as stated above, Shri Pranay Kothari shall be entitled to the following perquisites which shall be evaluated as per Income Tax Rules, 1962 (The Rules) wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

PART A

(i) Residential accommodation :

Housing I

The Company shall provide rent-free furnished residential accommodation to Shri Pranay Kothari provided that the rent for unfurnished residential accommodation shall not exceed one hundred per cent of the salary.

or

Housing II

The accommodation provided to Shri Pranay Kothari is owned by the Company.

or

Housing III

In case no accommodation is provided by the Company, Shri Pranay Kothari shall be entitled to house rent allowance at the rate one hundred per cent of the Salary p.m.

Shri Pranay Kothari shall be entitled to the use of gas, electricity, water, furnishings etc., the expenditure on which shall be valued as per the Rules. The Company shall also incur expenses on the upkeep and maintenance of the residential accommodation.

(ii) Medical benefits for self and family :

Reimbursement of expenses actually incurred for self and family including cost of medical insurance, as per Rules of the Company.

(iii) Leave :

As per Rules of the Company with full pay and allowances. Earned Leave accumulated but not availed of during the tenure shall be encashable as per Rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration, in the event of no profits or inadequate profits of the Company.

(iv) Leave/Holiday Travel :

For self and family in accordance with the Rules of the Company.

(v) Club Fees :

Fees of clubs subject to a maximum of two clubs.

(vi) Personal Accident Insurance:

As per Rules of the Company.

Part B

(i) Company's contribution towards Provident Fund: As per Rules of the Company.

(ii) Company's contribution towards Superannuation fund :

As per Rules of the Company.

Provided that the contribution towards Provident Fund and Superannuation Fund shall not exceed the maximum limit laid down under the Income Tax Act/Rules.

Contribution to Provident Fund and Superannuation fund will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act.

(iii) Gratuity :

One-half month's salary for each completed year of service.

The Gratuity will not be included in the computation of the ceiling on remuneration.

Part C

(i) Car and Telephone :

The Company shall provide car to Shri Pranay Kothari for use for Company's business and telephone at residence which will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Shri Pranay Kothari.

"RESOLVED FURTHER THAT, in the event of loss or inadequacy of profits in any financial year of the Company during the term of Shri Pranay Kothari's office as Whole Time Director, the remuneration and the perquisites set out hereinabove be paid or granted to Shri Pranay Kothari as minimum remuneration, subject to requisite approval under the Act."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modifications or relaxation by the Central Government in Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, perquisites, allowances etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the appointment of Shri Pranay Kothari as Whole Time Director may be terminated by either party giving to the other six calendar months notice in writing."

By Order of the Board
for **Polyplex Corporation Ltd.,**

Date : August 21, 2009
Place : NOIDA

A.K. GURNANI
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER.

2. Proxies in order to be effective should be lodged with the Company at the Registered Office at least 48 hours before the commencement of the meeting.

3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 6 of the Notice is annexed hereto.

4. The Register of Members and Share transfer books of the Company will remain closed from **26.09.2009 to 30.09.2009** (both days inclusive).

5. The dividend declared at the meeting will be made payable on or after September 30, 2009 to those Members, whose names are on the Register of Members as Beneficial Owners as at the end of business on September 25, 2009 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before September 25, 2009.

6. Pursuant to Section 205C of the Companies Act, 1956, amount of unpaid/unclaimed dividends for the following years have been transferred to Investor Education and Protection Fund (IEPF) (established by the Government of India):

Financial Year	Dividend	Declared on/ Record Date	Transferred to IEPF on
1995-96	10% Interim	11.01.1996	24.03.2003
1995-96	17.5% Final	07.09.1996	25.11.2003
1996-97	10% Final	30.09.1997	10.12.2004
1997-98	10% Final	31.08.1998	14.11.2005
1998-99	8% Final	31.08.1999	07.11.2006
1999-00	8% Final	30.09.2000	03.11.2007
2000-01	10% Interim	14.03.2001	27.03.2008
2000-01	5% Final	28.09.2001	14.11.2008
2001-02	10% Interim	30.11.2001	13.12.2008

7. With the insertion of new Section 205C in the Companies Act, 1956 by the Companies (Amendment) Act, 1999, inter alia, all unpaid dividends which have remained unclaimed for a period of seven years from the date they became due for payment, are required to be transferred to the Investor Education and Protection Fund (established by the Government of India). Further, no claim shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims. Hence, shareholders are advised in their own interest to claim the unclaimed dividend for the Financial Year 2001-2002 onwards, details whereof are given hereunder, from the Company failing which all unclaimed Dividends shall be transferred to the Investor Education and Protection Fund within the time prescribed under the law.

Financial Year	Dividend	Declared on/ Record Date
2001-2002	10% Final	29.07.2002
2002-2003	10% Interim	12.11.2002
2002-2003	15% Final	30.08.2003
2003-2004	20% Interim	24.11.2003
2003-2004	20% Final	31.08.2004
2004-2005	50% Interim (including special dividend of 20%)	05.11.2004
2004-2005	30% Final	16.08.2005
2005-2006	30% Interim	15.11.2005
2005-2006	10% Final	17.08.2006
2006-2007	40% Final	15.09.2007
2007-2008	60% Final	26.09.2008

8. a) Members holding shares in physical form are requested to notify to the Company, change/ correction in their address quoting their folio number.

   b) **Members holding shares in dematerialized form are requested to notify to their Depository Participant, change/correction in their address/Bank Account particulars etc. as the Company uses the information provided by the Depositories in respect of shares held in de-mat form.**

9. Details required under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting are separately annexed hereto.

10. Members/proxy holders are requested to produce at the entrance the attached admission slips duly completed and signed for admission to the meeting hall.

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

Shri Pranay Kothari was appointed as Whole Time Director for a period of three years with effect from September 7, 2006. Shri Pranay Kothari is an professional Director of the Company. He is a qualified Chartered Accountant and Company Secretary and has been working with the Company since 1985. Keeping in view his long association with the Company, his expertise, qualifications and experience as also the increased responsibilities of Shri Pranay Kothari on account of expansion and diversification plans undertaken/to be undertaken by the Company, the Board of Directors has decided to recommend for your approval reappointment and payment of remuneration as stated in the resolution with effect from **September 7, 2009 to September 6, 2012**.

The terms of remuneration as stated in the resolution may be regarded as an abstract of the terms of contract and memorandum of concern or interest for the purpose of Section 302 of the Companies Act, 1956.

The resolution set out at Item No. 6 is to be considered accordingly and the Board recommends the same for approval.

No other Director except Shri Pranay Kothari is interested in this resolution.

By Order of the Board
for **Polyplex Corporation Ltd.,**

Date : August 21, 2009
Place : NOIDA

A.K. GURNANI
Company Secretary

Notes on Directors seeking appointment/re-appointment as required under Clause 49 IV(G) of the Listing Agreement entered into with Stock Exchanges.

1. Shri Sanjiv Chadha

Shri Sanjiv Chadha aged about 53 years is a Non Resident Indian and practicing as an Architect in the United States of America. Shri Sanjiv Chadha is B. Arch from Indian Institute of Technology (IIT) and has done M.S. Architecture from Illinois Institute of Technology, U.S.A. He is member of American Institute of Architecture, Association of Licensed Architect, International Council of Shopping Centers and International Facilities Management Association.

Shri Chadha is associated with the Company as a shareholder of the Company since the beginning of the first project of the Company.

Shri Sanjiv Chadha holds 2000 equity shares in the Company.

Shri Sanjiv Chadha is not a director in any other Company.

2. Shri Sanjiv Saraf

Shri Sanjiv Saraf aged about 51 years is promoter Director of the Company and is associated with the Company since its inception. Shri Sanjiv Saraf is B.Tech from Indian Institute of Technology (IIT), Kharagpur. Shri Saraf has guided the Company from the time of the setting up of Company's first Polyester Film project in 1988 to the subsequent expansions and diversifications in India as well as through its subsidiaries abroad. He was the Managing Director of the Company for over sixteen years. He is currently non-executive director and the Chairman of the Company.

Expertise in specific functional area : General Management.

The Other Directorships of Shri Sanjiv Saraf are as follows:

- Excel International Limited
- Global Solar Energy (India) Limited
- Carter and Burgess (Asia) Limited
- Punjab Hydro Power Private Limited
- Kotla Hydro Power Private Limited
- Orbis Financial Corporation Limited
- SSIPL Retail Limited
- Bhilangana Hydro Power Limited
- Lachung Hydro Power Private Limited
- Teesta Hydro Power Private Limited
- Chungthang Hydro Power Private Limited
- Sikkim Green Energy Private Limited
- Uttarakhand Hydro Power Private Limited
- Pioneer Green Energy Securities Private Limited
- Holybein Hydro Power Private Limited
- Kut Energy Private Limited
- Kut Investments Private Limited
- Dalhousie Villa Private Limited
- Polyplex Energy Private Limited

Shri Sanjiv Saraf is also Chairman of the Share Transfer Committee, Finance Committee and Remuneration Committtee of the Board of Directors of the Company.

Apart from above Shri Sanjiv Saraf is also on the Board of following subsidiary companies:

- Polyplex (Thailand) Public Company Ltd., Thailand (Managing Director)
- Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S., Turkey
- Polyplex (Americas) Inc., U.S.A.

Shri Sanjiv Saraf controls the Company by directly holding 23,069 equity shares of the Company in his own name and 74,82,198 equity shares indirectly/alongwith other entities in the promoters group.

3. Shri Pranay Kothari

Shri Pranay Kothari is a qualified Chartered Accountant and Company Secretary and has been associated with the Company since 1985. During his tenure with the Company he has held the positions of Company Secretary, Director (Operations) (Whole Time Director). He was last appointed as Whole Time Director designated as Executive Director for a term of three years w.e.f. September 7, 2006. Shri Pranay Kothari is a professional director of the Company. Keeping in view of his long association with the Company, his expertise, qualifications and experience as also the increased responsibilities of Shri Pranay Kothari on account of expansion and diversification plans undertaken / to be undertaken by the Company, the Board of Directors has decided to recommend for your approval reappointment and payment of remuneration as stated in the resolution with effect from **September 7, 2009** to **September 6, 2012.**

Expertise in specific functional area : General Management.

The Other Directorships of Shri Pranay Kothari are as follows:

- Excel International Limited
- Global Solar Energy (India) Limited
- Carter and Burgess (Asia) Limited
- Shikhar Cements Private Limited
- Abohar Power Generation Private Limited
- Bhilangana Hydro Power Limited
- Lachung Hydro Power Private Limited
- Teesta Hydro Power Private Limited
- Chungthang Hydro Power Private Limited
- Pioneer Green Energy Securities Private Limited

- Holybein Hydro Power Private Limited
- Revival Tradeplace Private Limited
- Beehive Systems Private Limited
- Kut Energy Private Limited
- Kut Investments Private Limited
- Dalhousie Villa Private Limited
- Polyplex Energy Private Limited
- Sanjiv Sarita Investments Private Limited

Shri Pranay Kothari is also a Member of the Share Transfer Committee and Finance Committee of the Board of Directors of the Company.

Apart from above Shri Pranay Kothari is also on the Board of following subsidiary companies:

- Polyplex (Thailand) Public Company Limited, Thailand
- Polyplex (Singapore) Pte. Limited, Singapore
- Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S., Turkey
- Polyplex (Americas) Inc., U.S.A.

Shri Pranay Kothari does not hold any share in the Company in his own name.

Shri Pranay Kothari is not related to any other Director of the Company.

Polyplex
Corporation Limited

Registered Office : Lohia Head Road, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand

ATTENDANCE SLIP
24TH ANNUAL GENERAL MEETING

Regd. Folio No. _____ **30th September, 2009**

DP ID No. _____

Client ID No. _____ **No. of shares held** _____

To be handed over at the entrance of the Meeting Venue

Name of the attending member (In block letters) : _____

Name of Proxy (In block letters — to be filled in by the proxy attending instead of the member) _____

I hereby record my presence at the **24th Annual General Meeting** at the Registered Office of the Company at Lohia Head Road, Khatima 262308, Distt. Udham Singh Nagar, Uttarakhand.

_____

Member's /Proxy's Signature

TEAR HERE

TEAR HERE

Polyplex
Corporation Limited

Registered Office : Lohia Head Road, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand

PROXY FORM

Regd. Folio No. _____ **DP ID No.** _____ **Client ID No.** _____

I/We _____

of _____

being a member/members of the above named Company hereby appoint_____

of _____

or failing him _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the **24th Annual General Meeting** of the Company to be held on **Wednesday, 30th day of September, 2009** at the Registered Office of the Company at Lohia Head Road, Khatima 262308, Distt. Udham Singh Nagar, Uttarakhand or any adjournment thereof.

Signed
Date

Revenue Stamp

Note : Proxy Form must reach the Company's Registered Office not less than **48 hours before the meeting.**

Polyplex
Corporation Limited

www.polyplex.com
Registered Office & Works: Lohia Head Road, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand
Corporate Office: B-37, Sector-1, NOIDA, Gautam Budh Nagar, Uttar Pradesh - 201 301