

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} the details of Corporate Governance and processes including prescribed compliances by the Company 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 Shareholder 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 conditions 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. As on March 31, 2017, the Board consists of eight Directors of which one is Executive Director and seven are Non-Executive Directors including one woman Director. More than one half of the Board of Directors are Independent.

Mr. Pranay Kothari is an Executive Director of the Company.

Mr. Sanjiv Saraf and Mr. Sanjiv Chadha are from Promoters' Category and are Non- Executive and Non-Independent Directors.

Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea and Mr. Ranjit Singh (w.e.f. May 12, 2016) are Non-Executive Independent Directors. Independent Directors bring independent judgement in the Board's deliberations and decisions. Company has issued formal Letters of Appointment to Independent Directors and terms and conditions of appointment are disclosed on the website of the Company at www.polyplex.com.

Mr. Rakesh Awasthi, Nominee Director ceased to be Director of the Company w.e.f. May 3, 2016 consequent upon withdrawal of his nomination by IDBI Bank Limited.

Mr. Sanjiv Saraf, a Non-Executive Director from the Promoters' Category is the Chairman of the Company.

None of the Directors is related to any other Director of the Company.

b) Board Meetings :

During the Financial Year 2016-17, Six Board Meetings were held on May 12, 2016, May 30, 2016, August 11, 2016, November 14, 2016, December 26, 2016 and February 13, 2017. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings, previous Annual General Meeting and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2017 are given as follows:

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Directorships**	Other Committee Memberships***	
					Member	Chairman
A. Non-Executive Directors						
A.1 Promoters Category						
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	5 out of 6	No	5	1	1
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	4 out of 6	No	Nil	Nil	Nil
A.2 Independent Directors						
Mr. Brij Kishore Soni DIN: 00183432	Independent	5 out of 6	Yes	Nil	Nil	Nil
Dr. Suresh Inderchand Surana DIN: 00009757	Independent	4 out of 6	No	Nil	Nil	Nil
Mr. Jitender Balakrishnan DIN: 00028320	Independent	5 out of 6	No	9	5	2
Ms. Pooja Haldea DIN: 07123158	Independent	4 out of 6	No	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	5 out of 5	Yes	Nil	Nil	Nil
A.3 Others-Non-Independent						
Mr. Rakesh Awasthi* (DIN: 00252540)	Non-Independent (Nominee of IDBI Bank Ltd.)	N.A.	N.A.	Nil	N.A.	N.A.
B. Executive Director						
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	4 out of 6	No	3	1	Nil

* Mr. Rakesh Awasthi ceased to be director w.e.f. May 3, 2016 consequent upon withdrawal of nomination by IDBI Bank Ltd.

** Only Indian Public Limited Companies are considered.

*** For determining the chairmanship/membership of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered (Excluding this company).

None of the Directors of the Company is a member in more than ten committees or acts as Chairman of more than five committees across all public companies whether listed or unlisted (including Polyplex Corporation Limited), in which he/she is a director.

c) Details of shares held by the Directors in the Company are as follows:

S. No.	Name of Director	No. of shares held as on March 31, 2017
1.	Mr. Sanjiv Saraf	3,25,138
2.	Mr. Sanjiv Chadha	4,000
3.	Dr. Suresh Inderchand Surana	200

d) Information placed before the Board includes:

The Board is supplied with the necessary information as stipulated in Part A of Schedule II of SEBI (LODR) Regulations, 2015, to the extent applicable.

e) Review of Compliance Report:

The periodical reports submitted by the Internal Auditors and by the concerned department Heads of the Company with regards to compliance of Laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by Audit Committee and the Board of Directors as per Regulation 17 (3) of SEBI (LODR) Regulations, 2015.

Compliance Certificate signed by the Executive Director and Chief Financial Officer is placed before the Board of Directors as specified in Part B of Schedule II of SEBI (LODR) Regulations, 2015.

f) Code of Conduct:

The Board of Directors of the Company has approved a 'Code of Conduct' for all Board members and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel 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. Audit Committee**a) Composition :**

The Company has a qualified and independent Audit Committee. The Audit Committee comprised of following Non-Executive Directors viz., Mr. Brij Kishore Soni, Dr. Suresh Inderchand Surana, Ms. Pooja Haldea, Mr. Rakesh Awasthi and Mr. Jitender Balakrishnan. All the members of the Audit Committee except Mr. Rakesh Awasthi are Independent.

Mr. Rakesh Awasthi ceased to be the Director and member of the Audit Committee w.e.f. May 3, 2016 consequent upon withdrawal of his nomination by IDBI Bank Ltd. Mr. Jitender Balakrishnan was co-opted as the member of Audit Committee w.e.f. December 15, 2016.

Mr. Brij Kishore Soni an Independent Director is the Chairman of Audit Committee. All the members of Audit Committee are financially literate within the meaning of Regulation 18 (1) (c) SEBI (LODR) Regulations, 2015.

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

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

b) Meetings of the Audit Committee :

During the Financial Year 2016-17, four meetings of Audit Committee were held on May 30, 2016, August 11, 2016, November 14, 2016 and February 13, 2017. The maximum time gap between two consecutive meetings was not more than 120 days.

Attendance of the Members at the Audit Committee Meetings was as follows:

Name of Member	Meetings attended
Mr. Brij Kishore Soni	4 out of 4
Dr. Suresh Inderchand Surana	3 out of 4
Ms. Pooja Haldea	3 out of 4
Mr. Jitender Balakrishnan	1 out of 1

*Mr. Jitender Balakrishnan was appointed as a member of the Audit Committee w.e.f. December 15, 2016.

c) Powers and Role of the Audit Committee :

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015, 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) Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
 - (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 and auditor's report thereon 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 clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - 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 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. Modified opinion(s) 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, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
 - (h) Approval or any subsequent modification of transactions of the company with related parties.
 - (i) Scrutiny of inter-corporate loans and investments.
 - (j) Valuation of undertakings or assets of the company, wherever it is necessary.

- (k) Evaluation of internal financial controls and risk management systems.
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (m) 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.
- (n) Discussion with internal auditors of any significant findings and follow up there on.
- (o) 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.
- (p) 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.
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (r) To review the functioning of the Whistle Blower mechanism.
- (s) Approval of appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

d) Review of information by the 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 the 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 shall be subject to review by the Audit Committee.
- vi. Statement of deviations :
 - a.) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.

- b.) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Composition:

The Nomination and Remuneration Committee comprises of two Independent Directors and one Promoter Director, all of whom are Non-Executive Directors i.e. Mr. Jitender Balakrishnan, Mr. Brij Kishore Soni and Mr. Sanjiv Saraf. Mr. Jitender Balakrishnan, an Independent Director, is Chairman of the Nomination and Remuneration Committee.

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

During the Financial Year 2016-17, two meetings of the Nomination and Remuneration Committee were held on May 12, 2016 and August 11, 2016.

Attendance of the Members at the Nomination and Remuneration Committee Meetings was as follows:

Name of Member	Meetings attended
Mr. Jitender Balakrishnan	2 out of 2
Mr. Brij Kishore Soni	2 out of 2
Mr. Sanjiv Saraf	1 out of 2

b) Terms of reference:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of performance of Independent Directors and the Board and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- c) Identify persons who are qualified to become Directors and who may be appointed in the Senior Management in accordance with the criteria laid down in the policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

i. Executive Director

Mr. Pranay Kothari :

Following remuneration has been paid/ provided to Mr. Pranay Kothari, Executive Director for the Financial Year 2016-17:

Salary, Allowances, PF and SA	₹ 2,34,15,000
Perquisites	₹ 2,19,544
Total	₹ 2,36,34,544

Above remuneration does not include a sum of ₹1,11,23,590/- paid during the Financial Year 2016-17 of which ₹70,14,925/- was paid for Financial Year 2015-16 and ₹41,08,665/- was paid for Financial Year 2014-15, out of the provision created by the Company in the respective Financial Years after receipt of approval of Central Government.

Tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2015 and ended on September 6, 2018. Appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party after giving to the other, six calendar months notice in writing or salary in lieu thereof. No payment on account of severance fees has been stipulated.

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

Executive Director is not liable to retire by rotation.

ii. Non-Executive Directors

Non-Executive Directors of the Company were paid sitting fees @ ₹50,000/- per meeting for attending meetings of the Board or any Committee(s) thereof, in addition to the reimbursement/ provision of travelling/stay/expenses as per rules of the Company. Further Non-Executive Directors of the Company are not paid any remuneration except Mr. Sanjiv Saraf who receives commission upto 1% of the net profits of the Company computed under Section 198 of the Companies Act, 2013.

The details of payment of Sitting Fee to Non-Executive Directors during the year 2016-17 are given below:

S. No.	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf*	3,00,000
2.	Mr. Brij Kishore Soni	8,50,000
4.	Mr. Sanjiv Chadha	2,00,000
5.	Dr. Suresh Inderchand Surana**	4,50,000
6.	Mr. Jitender Balakrishnan	4,50,000
7.	Ms. Pooja Haldea	4,00,000
8.	Mr. Ranjit Singh	3,00,000

All Non-Executive Directors except Independent Directors are liable to retire by rotation.

* In addition to payment of Sitting Fee, Board of Directors have approved the payment of Commission of ₹42.00 Lacs for the Financial Year 2016-17 to Mr. Sanjiv Saraf, Chairman and Non Executive Director in terms of Special Resolution passed by the Members in the Annual General Meeting held on September 28, 2015.

** Amount aggregating to ₹21.22 Lacs was paid to firms in which Dr. Suresh Inderchand Surana is a partner towards professional fee, including service tax and reimbursement of expenses.

The Company has so far not issued any Stock options to any of the Directors. Further, Independent Directors are not entitled to any Stock options.

5. Stakeholders' Relationship Committee

a) Composition:

The Board has constituted Stakeholders' Relationship Committee comprised of Mr. Brij Kishore Soni, Non-Executive Independent Director and Mr. Pranay Kothari, Executive Director. Mr. Brij Kishore Soni is the Chairman of the Committee. This Committee meets as and when required.

The Committee, inter alia, looks into matters relating to issue of duplicate/split of old share certificates, non-receipt of annual report and non-receipt of declared dividends and Shareholders'/ Investors' Grievances.

Mr. Ashok Kumar Gurnani, Company Secretary is the Compliance Officer and Secretary of the Committee.

b) Meetings of Stakeholders' Relationship Committee :

During the Financial Year 2016-17, three such meetings were held on August 17, 2016, October 7, 2016 and November 15, 2016. All the meetings were attended by both the directors.

c) Investor Grievance Redressal:

Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2016-17 is as follows:

Opening: 0 Received: 0 Resolved: 0 Pending: 0

As on March 31, 2017, no request for registration of transfer of shares/ dematerialization was pending.

d) Process of transfer of shares

All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the SEBI (LODR) Regulations, 2015.

6. Corporate Social Responsibility (CSR) Committee

a) Composition:

In terms of the requirement of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR committee comprises of one Promoter Director and two Independent Directors, all of whom are

Non-Executive Directors i.e. Mr. Sanjiv Saraf; Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana. Mr. Sanjiv Saraf is the Chairman of the CSR Committee.

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

The Role and functions of the CSR Committee are to:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- (b) Recommend to the Board amount to be spent on various CSR activities in a year.
- (c) Recommend to Board pursuing of CSR activities either by Company itself or indirectly through an NGO.
- (d) Monitor the CSR policy of the Company from time to time.
- (e) To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

During the Financial Year 2016-17, one meeting of the CSR Committee was held on February 13, 2017 and the meeting was attended by Mr. Brij Kishore Soni and Dr. Suresh Inderchand Surana members of the CSR Committee.

7. Finance Committee

(a) Composition:

The Board has constituted a Finance Committee comprising of following Directors viz. Mr. Sanjiv Saraf, Mr. Pranay Kothari and Mr. Brij Kishore Soni to decide, inter alia, financial matters of the Company viz. short term loans, working capital facilities, deployment of surplus funds and other incidental matters.

Mr. Sanjiv Saraf is the Chairman of the Committee.

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

(b) Meetings of the Finance Committee:

During the Financial Year 2016-17, one meeting of the Finance Committee was held on March 25, 2017. The Meeting was attended by Mr. Pranay Kothari and Mr. Brij Kishore Soni.

8. Risk Management Committee

The Board has voluntarily constituted a Risk Management Committee. The Risk Management Committee comprises of Dr. Suresh Inderchand Surana, Mr. Brij Kishore Soni, Independent Directors, Mr. Pranay Kothari, Executive Director, Mr. Manish Gupta, CFO and Mr. Kapil Gupta, Profit Centre Head of the Company.

The functions of the Risk Management Committee includes formulation of Risk Management Plan and to monitor and review the same and to report to the Board from time to time the risk assessment, minimization and mitigation procedures laid down.

9. Independent Directors, their meetings and Familiarisation Programme

During the Financial Year 2016-17, Five Independent Directors served on the Board.

All requirements with respect to appointment of Independent

Directors and their holding of directorships in other listed entities, as specified in Regulation 25 of SEBI (LODR) Regulations, 2015 are complied with.

As required by provisions of the Companies Act, 2013/SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on July 25, 2017, without the presence of non-independent directors and members of the management. This meeting was chaired by Mr. Jitender Balakrishnan and attended by all the Independent Directors.

Independent Directors of the Company in their aforesaid meeting reviewed the performance of Non-Independent Directors and the Board as a whole as also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors.

Performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the director being evaluated. For evaluation of performance inter alia following criteria viz. Knowledge and Skill, Participation at Board/ Committee Meetings, Managing Relationships and Personal Attributes is followed. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The familiarization programme for Independent Directors has been disclosed on website of the Company at www.polyplex.com.

10. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed.

As a majority shareholder, the Board of Directors review and monitor the performance of its subsidiary companies by way of:

- a) Approving, in principal, their capital expenditure plans, business expansion plans, investment / disinvestment plans;
- b) Reviewing their operations vis-à-vis budgets, cash flows and Balance Sheets;
- c) Reviewing all significant/ material transactions and arrangements;
- d) Minutes/ materially important decisions.

11. Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also on dealings with related party transactions. This policy is posted on the website of the Company at www.polyplex.com.

All related party transactions are placed before the Audit Committee for its approval/omnibus approval/ review in accordance with the policy on related party transactions.

During the year, the Company has not entered into any 'Material' Related Party Transaction requiring approval of the shareholders.

12. General 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
31st	2015-16	29.09.2016	Registered Office at Khatima	11.00 a.m.
30th	2014-15	28.09.2015	Registered Office at Khatima	11.00 a.m.
29th	2013-14	29.09.2014	Registered Office at Khatima	11.00 a.m.

During the Financial Year 2016-17, no Extra-Ordinary General Meeting was held or Postal ballot was conducted.

(ii) Special Resolutions passed at the last three Annual General Meetings:

Financial Year/ Date of Annual General Meeting	Subject
2015-16/ September 29, 2016	No Special Resolution was required to be passed at the Annual General Meeting.
2014-15/ September 28, 2015	<ol style="list-style-type: none"> Resolution pursuant to Section 197 of the Companies Act, 2013 for waiver of recovery of excess remuneration of ₹72.94 Lacs paid/ provided to Mr. Pranay Kothari, Executive Director during 2014-15, due to inadequacy/insufficiency of profits. Resolution pursuant to Section 197 and/or other applicable provisions of the Companies Act, 2013 to payment of remuneration to Mr. Pranay Kothari, Executive Director, as earlier approved for the period April 1, 2015 to September 6, 2015. Resolution pursuant to Section 197, 198 & 203 of the Companies Act, 2013 for reappointment and payment of remuneration to Mr. Pranay Kothari, Whole Time Director, for the period September 7, 2015 to September 6, 2018. Resolution pursuant to Section 188 of the Companies Act, 2013 for holding of office of profit and payment of remuneration to Mr. Sanjiv Saraf in Polyplex (Asia) Pte. Ltd., Singapore, wholly owned subsidiary. Resolution pursuant to Section 197 of the Companies Act, 2013 for payment of commission to Mr. Sanjiv Saraf, Non Executive Director not exceeding in the aggregate 1% (One percent) per annum of the net profits of the Company for each of the five Financial Year commencing from April 1, 2015.
2013-14/ September 29, 2014	<ol style="list-style-type: none"> Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013 granting authority to Board of Directors to borrow upto ₹1,500 Crores. Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 granting authority Board of Directors to create charge on the properties of the Company in favour of Lenders upto ₹1500 crores.

(iii) No Special Resolution is proposed to be passed at the ensuing Annual General Meeting.

(iv) During the Financial Year 2016-17 no resolution was required to be passed by way of postal ballot.

(v) Company had provided to its Members e-voting facility in respect of agenda items placed before the Annual General Meetings held in 2014, 2015 and 2016.

13. Disclosures:

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| <p>(a) During the year, there were no transactions of material nature with the related parties that had potential conflict with the interest of the Company at large.</p> <p>(b) There were no instances 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.</p> <p>(c) The Company has formulated Whistle Blower Policy and the same has been posted on website of the Company at www.polyplex.com. No employee of the Company has been denied access to the Audit Committee to make any representation.</p> | <p>(d) Company has complied with the mandatory requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.</p> <p>(e) The Company has established a comprehensive Enterprise Risk Management (ERM) Policy that includes risk identification, risk assessment, risk mitigation and monitoring on a periodic basis. External and internal risk factors that could potentially affect performance of the Company vis-a-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.</p> <p>(f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.</p> |
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- (g) Company files quarterly compliance report on Corporate Governance with Stock Exchanges pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015 and copies thereof are placed before the next Board Meeting.
- (h) As required by Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.
- (i) Company has adopted discretionary requirements as specified in Para E to Schedule II to SEBI (LODR) Regulations, 2015 to the extent to maintenance of Chairperson's office, having separate posts of Chairperson and Chief Executive Officer, moving towards a regime of Financial Statements with unmodified opinion and reporting of Internal Auditor directly to Audit Committee.

14. Company's Website and its Policies with Weblinks

The Company has formulated following Policies/Codes of Conduct in terms of the requirements of Companies Act, 2013/SEBI (LODR) Regulations, 2015. These Policies/Codes are available on the website of the Company and the weblinks of these Policies/Codes are mentioned against their respective names:

- a) Corporate Social Responsibility (CSR) Policy:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf
- b) Nomination & Remuneration Policy:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLNRCPolicy.pdf
- c) Whistle Blower Policy (Policy on vigil mechanism)
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLWhistleBlowerPolicy.pdf
- d) Policy on Related Party Transactions:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf
- e) Policy for determining 'Material Subsidiaries':
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.PDF
- f) Code of Conduct for Board Members and Senior Management:
http://www.nseprimeir.com/z_Polyplex/pdf-files/CodeofConductforBoardMembersandSeniorManagement.pdf
- g) Familiarisation programme for Independent Directors:
http://www.nseprimeir.com/z_Polyplex/pdf-files/Familiarisation_Programme.pdf

- h) Code of Conduct for Insider Trading/ Code of Practices & Procedures for fair Disclosure of Unpublished Price Sensitive Information:
http://www.nseprimeir.com/z_Polyplex/pdf-files/Code_of_Practices2015.pdf
- i) Code Of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders:
http://www.nseprimeir.com/z_Polyplex/pdf-files/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING.pdf
- j) Policy for preservation and archival of documents:
http://www.nseprimeir.com/z_Polyplex/pdf-files/PCL_Policy_for_Preservation_of_Documents.pdf
- k) Policy for Dividend Distribution: http://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distributioin_Policy_25072017.pdf

15. CEO/ CFO Certification (Compliance Certificate)

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Compliance Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 19, 2017.

16. 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/ half yearly/ yearly results are generally published in the 'Business Standard' and 'Uttar Ujala, Nainital' edition, within the prescribed time limit.
- c. Management Discussion and Analysis forms part of the Annual Report, which is sent on email/ through courier/ posted on the website of the Company.

Declaration by the Chief Executive Officer pursuant to Para D to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.

I hereby confirm that:

The Company has obtained affirmations from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management for the Financial Year 2016-17.

Place: Noida
Date: July 25, 2017

Pranay Kothari
Executive Director

General Shareholders Information

I.	Annual General Meeting Date, Time and Venue :	September 11, 2017 at 11.00 a.m. at the Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand
II.	Financial Year:	April 1, 2016 to March 31, 2017
III.	Book Closure Date:	September 4, 2017 to September 11, 2017 (both days inclusive)
IV.	Dividend Payment Date:	Within 15 days from declaration by the shareholders in the Annual General Meeting.
V.	Listing on Stock Exchanges:	Equity Shares of the Company are listed on following Stock Exchanges: BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 National Stock Exchange of India Limited, (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai – 400 051 Listing Fees for the Financial Year 2016-17 and 2017-18 has been paid to above Stock Exchanges. Annual Custody charges for the year 2017-18 have been paid to National Securities Depository Limited and Central Depository Services (India) Limited.
VI.	Scrip Code:	The Company's equity shares have been allotted following scrip codes/ name:- BSE Limited (BSE) 524051 National Stock Exchange of India Limited (NSE) POLYPLEX Reuters Code PLYP.BO NSDL/ CDSL – ISIN INE633B01018

VII. Market Price Data :

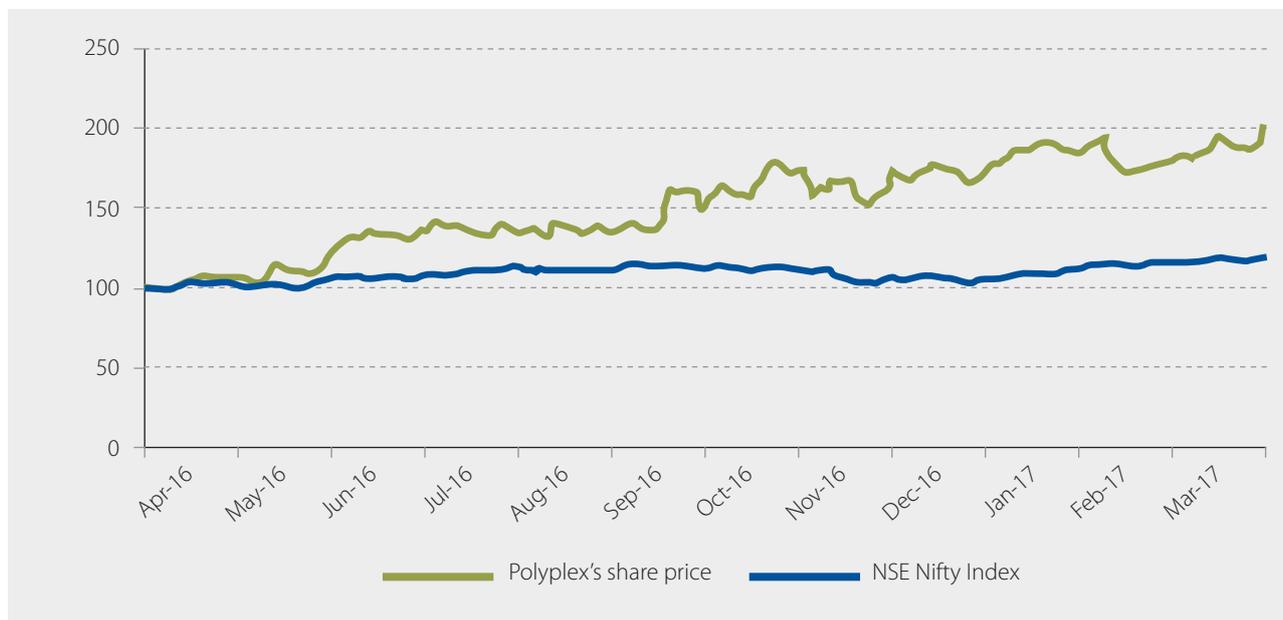
Share prices on BSE and the NSE during 2016-17 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
April 2016	227.80	195.90	62,527	230.00	197.40	2,76,125
May 2016	260.00	210.90	91,468	261.10	208.00	2,88,803
June 2016	291.50	242.50	1,21,107	292.00	250.00	4,95,997
July 2016	299.00	272.10	74,456	298.00	273.70	3,32,787
August 2016	315.00	268.40	99,911	309.85	265.00	4,24,656
September 2016	355.40	277.75	5,44,480	353.60	280.00	20,18,533
October 2016	378.80	318.00	2,09,900	379.50	313.25	11,04,767
November 2016	374.70	309.00	1,81,244	374.85	280.20	7,16,908
December 2016	386.00	340.00	1,06,678	410.70	340.50	3,96,774
January 2017	410.00	363.00	1,12,554	408.00	364.10	4,21,425
February 2017	412.00	352.00	94,911	412.00	355.50	4,37,739
March 2017	421.80	373.00	94,035	421.90	371.00	9,24,719
Total			17,93,271			78,39,233

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

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

Polyplex's share price movement vs. NSE Nifty Index (2016-17)



IX. Registrars and Share Transfer Agents (RTA):

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad- 500032
 Tel: +91-40-67162222
 Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
 Website: www.karvy.com
 (RTA changed w.e.f. May 11, 2015)

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect to within the time stipulated in the SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a) Distribution of shareholdings as on March 31, 2017:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	11,376	88.73	14,257,360	4.46
5001 to 10000	716	5.59	56,88,360	1.78
10001 to 20000	342	2.67	5,26,4420	1.65
20001 to 30000	104	0.81	26,58,490	0.83
30001 to 40000	72	0.56	26,25,510	0.82
40001 to 50000	45	0.35	20,78,470	0.65
50001 to 100000	80	0.62	57,89,680	1.81
100001 and above	86	0.67	2,81,483,710	88.00
Total	12,821	100%	3,19,846,000	100%

b) Categories of shareholders as on March 31, 2017

Category		Shares held (Nos.)	Percentage of Shareholding
1	Promoters		
a)	Indian Promoters	28,39,400	8.88
b)	Foreign Promoters	1,31,62,134	41.15
	Sub Total	16,001,534	50.03
2	Non- Promoters		
a)	Mutual Funds and UTI	26,94,709	8.43
b)	Banks, Financial Institutions, and Insurance Companies	16,088	0.05
c)	Foreign Institutional Investors (FIIs)	4,82,444	1.51
d)	Bodies Corporates & NBFCs	50,45,217	15.77
e)	NRIs/OCBs	30,67,201	9.59
f)	Indian Public	46,77,407	14.62
	Sub-Total	1,59,83,066	49.97
	Grand Total	3,19,84,600	100.00

Note:

- Total Foreign shareholding as at March 31, 2017 was 16,711,779 shares constituting 52.25%.
- 2(d) above includes 60,600 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account held pursuant to Clause 5A(ii) of the Listing Agreement/Part F of Schedule V of SEBI (LODR) Regulations, 2015.
- Above shareholding is as per shares held in physical form and details of Beneficial Owners received from NSDL and CDSL.

XII. 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, 2017

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	30,121,020	94.17	7,302
Central Depository Services (India) Limited	13,47,858	4.22	3,869
Total Dematerialised	3,14,68,878	98.39	11,171
Physical	5,15,722	1.61	1,650
Grand Total	3,19,84,600	100.00	12,821

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

XIV. As required by Regulation 39(4) of SEBI (LODR) Regulations, 2015 the Company has opened a demat account with a Depository Participant in the name of "Polyplex Corporation Limited - Unclaimed Suspense Account" to which all the unclaimed shares have been transferred in terms of the requirements of the said Regulations. Details of shareholders/ shares dematerialized in the said account are as follows :

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	352	61,600
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	5	1000
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	5	1000
Number of shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	347	60,600

Voting rights in respect of above shares remain frozen till the rightful owner claims the shares.

XV Commodity price risk or foreign exchange risk and hedging activities:

The details of foreign currency exposure are covered in Point 13 of Corporate Governance Report.

XVI. Plant Locations

The Company's Polyester Chips and Polyester / BOPP Coated Film manufacturing facility are located at :

- i. Lohia Head Road, Village Amau, Khatima - 262 308, Distt. Udham Singh Nagar, Uttarakhand;
and
- ii. Plot No.227 MI 228 MI, Banna Khera Road, Village Vikrampur – 262 401, Tehsil Bajpur, Distt. Udham Singh Nagar, Uttarakhand.

XVII. Investors 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		Shares Department,
Polyplex Corporation Limited	or	Polyplex Corporation Limited
Lohia Head Road, Khatima 262308		B-37, Sector -1, Noida - 201301,
Distt. Udham Singh Nagar, Uttarakhand		Gautam Budh Nagar, Uttar Pradesh
Phone: (05943) 250136		Phone: (0120) 2443716 to 19
Fax: (05943) 250281		Fax: (0120) 2443724
Email: investorrelations@polyplex.com		

Auditors' Compliance Certificate on Corporate Governance

To

The Members of Polyplex Corporation Limited

We have examined the compliance of regulations of Corporate Governance by Polyplex Corporation Limited ("Company") for the year ended 31st March 2017, as stipulated in regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

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

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

For LODHA & CO.

Chartered Accountants

Firm Registration No.: 301051E

GAURAV LODHA

Partner

Membership No. 507462

Place: New Delhi

Date: July 25, 2017