26th Annual Report
2010-11

CONTENTS

Board of Directors and Corporate Information

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

Chief Financial Officer
Shri Manish Gupta

Company Secretary
Shri Ashok Kumar 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,
   Village Amau
   Khatima - 262 308
   Distt. Udham Singh Nagar
   Uttarakhand

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

Auditors
Lodha & Co.,
Chartered Accountants

Bankers
State Bank of Patiala
IDBI Bank Limited
State Bank of Hyderabad
State Bank of Mysore
Axis Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
UniCredit Bank AG

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

POLYPLEX AT A GLANCE

Sales and Other Income of INR 2,452 Crores (USD 538 million)

77% revenues from overseas markets

81% of Polyplex products are used in food and consumer goods markets

Over 1150 customers all over the globe

About 1380 employees world wide

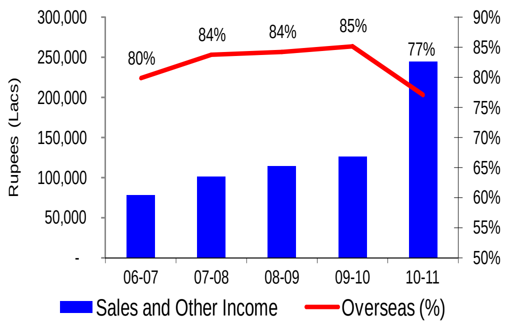
Dividend paid every year since 1993-94

NSE Code:POLYPLEX

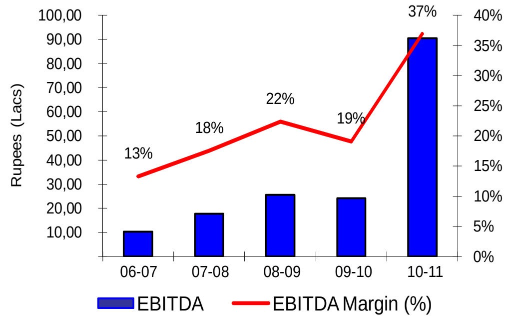
** Based on consolidated performance; figures in USD have been calculated based on average exchange rate during the year.*

FINANCIAL HIGHLIGHTS*

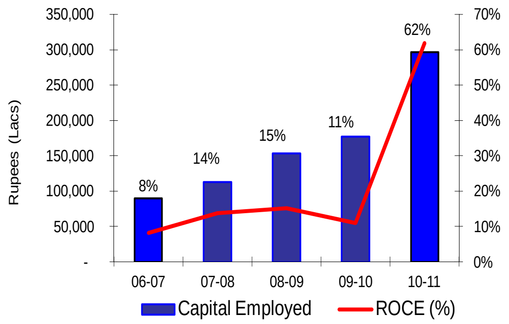
Sales and Other Income



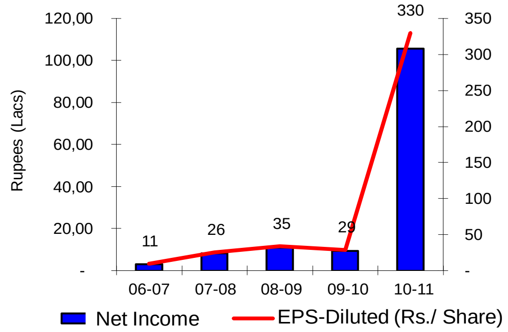
EBITDA^*



Capital Employed^^



Net Income



(Rs. In Lacs)

Description	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Profit and Loss Account								
EBITDA	90,445	24,104	25,518	17,739	10,333	9,729	13,505	10,926
Profit attributable to Shareholder	105,557	9,399	11,041	8,238	3,190	3,822	6,959	6,778
Balance sheet								
Net Fixed Assets @	149,912	138,774	112,984	86,255	66,209	54,628	35,415	28,127
Loan Funds	72,833	85,396	68,132	45,502	33,548	29,837	10,003	17,881
Shareholders' Funds #	164,909	69,251	65,404	51,417	42,338	35,758	32,171	17,404
Cash Flow								
Net Cashflow from Investing Activities	61,101	(34,017)	(28,321)	(22,739)	(11,328)	(22,830)	(9,474)	(9,487)
Key Ratios								
PAT Margin (%) **	55%	11%	13%	11%	6%	10%	16%	18%
ROE (%) ***	87%	16%	20%	18%	9%	12%	31%	47%
Total Debt: EBITDA	0.81	3.54	2.67	2.57	3.25	3.07	0.74	1.64
Per Share Data								
Diluted Earnings per Share @*	330.03	29.26	34.52	25.92	10.89	13.06	23.76	23.15
Dividened per Share @*	7.00	4.00	3.50	3.00	2.00	2.00	4.00	2.00

@ Includes Capital Work in Progress
\# Includes Deferred Tax Liabilities
^* EBITDA Margin as % to Sales and Other Income
^^ Capital Employed = Shareholders' Funds + Minority Interest + Loan Funds
@* Figures till 2009-10 have been recalculated based on increased share capital due to issue of Bonus Shares in the ratio of 1:1 during 2010-11.

* Based on consolidated financials
** PAT (Pre-minority interest) as % to Sales and Other Income
*** PAT (Pre-minority interest) as a % of average equity incl. Minorities

Chairman and CEO's Address

Sanjiv Saraf
Chairman

Pranay Kothari
Chief Executive Officer

Dear Shareholders,

In the backdrop of better global economic conditions and an unusual run-up in PET film prices based on robust demand and delayed capacity increases, performance during the year is highlighted by exceptional level of profitability and operational cash flows. The Company's strategy as well as its leadership position in key markets has helped leverage the favourable market conditions.

Sales and Other Operating Income at INR 24.5 billion were almost double as compared to the previous year. Profit Before Tax at INR 14.15 billion was up by over 900% as compared to preceding year bolstered by the one-time exceptional gain arising out of the partial divestment in stake in a subsidiary. This is reflected in the Company becoming debt free on a consolidated basis after accounting for cash and cash equivalents.

The Company's investments in Thailand, Turkey and US, besides India have delivered excellent returns and validate the strategy based on multiple manufacturing and distribution arrangements which provide ready and direct access to a large base of customers and enhance service capabilities. This translates into healthy growth in shareholder value on consolidated basis - Book value per share has increased from INR 95.21 as on 31st March'2005 to

INR 502.20 as on 31st March'2011 (both after accounting for 1:1 bonus issue during the year), a CAGR of 31.94%.

Recent investments aimed at downstream integration and diversification into related films like Cast Polypropylene Films and Extrusion Coated Films have also started exhibiting positive signs and would present growth opportunities in the near future. The Siliconizing line in Thailand which will use PET film as an input is currently under advanced stage of implementation and should come on stream during the third quarter of this financial year. The addition of a Blown PP line would further broaden the product offering and ensure optimal utilization of the coating capacity.

In order to maintain the momentum in growth, the Company has decided to foray into "Thick PET Film" segment by starting work on a new film line in Thailand. Further, the decision to relocate the proposed Thin PET film line which had already been ordered and the associated resin and metallizing facilities from Turkey to USA would ensure that the Company has an on-shore manufacturing base in the large and attractive North American market and build upon the platform that has been laid by its fast growing distribution operations. Besides improved customer access, this move would also be cost effective due to significant savings in logistics / related costs.

Reducing the Company's carbon footprint and maintaining the sustainability of environmental resources has been one of the key areas of focus. Realizing the significance of these factors in the economic value chain and the impact of these initiatives on society and business, the Company has initiated efforts to develop environmental friendly products using renewable raw material sources.

While market conditions would inevitably trend downwards from the highs of last year, the business remains robust. Backed by a strong and liquid Balance Sheet, the Company intends to continuously grow the business by judicious selection of opportunities.

We conclude by thanking our colleagues on the Board for their continued support and guidance and our team of dedicated employees, customers, suppliers and bankers. Last but not the least we thank you all for your continued support.

Pranay Kothari
Chief Executive Officer

Sanjiv Saraf
Chairman

His Excellency Mr. Robert Bentley, Governor of State of Alabama at the announcement of Polyplex project in Morgan County, Alabama, USA

His Excellency Mr. Robert Bentley, Governor of State of Alabama presenting a memento to Mr Sanjiv Saraf, Chairman, Polyplex India.

Participation of Polyplex Group at Interpack 2011, Germany.

Customers and Visitors at Polyplex stand at Interpack 2011, Germany.

Team Polyplex at Disha 2013 meet.

COO's Address

2010-11 was a watershed year in the history of Polyester film industry and Polyplex Group. The year saw rapid growth in demand across geographical regions and applications especially in consumer staples driven applications like flexible packaging and emerging applications like PV back sheets, flat panel display and touch panel. This growth in demand in combination with supply side rigidity and constraints led to an extremely positive market dynamics.

This favourable industry structure along with focus on continuous improvement, timely commissioning and ramp up of new capacities in India resulted in doubling of topline and multifold increase in the bottomline.

Key milestones and achievements during the year were:

1. Excellent financial performance on all financial parameters of growth, profit and profitability. Despite rapid growth in investment and turnover the Group has become debt free on a net basis.
2. Speedy stabilization of new capacities(BOPET, BOPP, Metalliser and CPP) and productivity improvement in existing capacities across various units resulted in better operational performance for the year.
3. Leveraging synergies with flexible packaging customers to rapidly achieve high market share and capacity utilisation in BOPP and CPP business.
4. Consolidation in silicone coating and thermal lamination business to achieve near full capacity utilization.
5. Further progress towards becoming, not only the largest supplier of BOPET film to the Converters globally, but also the favoured strategic supplier based on technical support and innovation to help them improve their profitability.
6. Succesfully managing customer expectations and requirements during a year when profitability and continuity of their business was stressed due to high prices and poor availability of BOPET film.

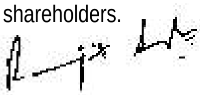
Outlook and Challenges for 2011-12 : The demand supply imbalance and exceptional profit of 2010 would lead to addition of large capacity in our core polyester film business during the next two years .The situation in the Indian market is further exacerbated by the ban on usage of plastic in packaging of chewing tobacco by the Hon. Supreme Court of India. Though the demand growth in India and the world remains intact and robust, this unforeseen development combined with lumpy and high capacity addition will lead to hyper-competition and moderation of margins going forward.

However, your Company remains confident that as a result of competitive advantages gained through a combination of (a) focus on operational excellence; (b) geographical diversification in business portfolio; (c) product diversification; and (d) a unique and proven business model combining offshore, near shore and onshore delivery capabilities, will continue to outperform industry peers. Though we would see moderation in financial performance from the historic highs of last year we would continue to focus on leveraging our balance sheet strength and bandwidth to manage global businesses to drive continuous growth.

The key strategies and priorities in the next two years to meet the longer term growth objectives and near term challenging business environment are :

1. Setting up a polyester film manufacturing facility in USA with backward and forward integration .This will ensure a reliable onshore supply chain solution to our existing and potential customers in Americas .
2. Renewed focus on operational excellence through TPM, innovation and new product development and institutionalization of business processes that would balance greater autonomy with proper control, in line with size and diversity of businesses and culture.
3. Implementation of thick polyester film project in Thailand and debottlenecking cum modernisation Project in India. This will enable us to expand our product range to include thicker films and more functional and speciality films. This will also strengthen our offering in industrial applications, where products are more differentiated and customized.
4. Commissioning and stabilization of the new state-of-the- art silicone coating line in Thailand. This will enable us to emerge as one of the leading players in high growth siliconised film market with strength of backward integration into polyester film.
5. After having gone along the learning curve in BOPP and CPP business successfully, we are evaluating capacity expansion in these new businesses to diversify the business portfolio and to drive future growth.
6. Further enhancing the environmental sustainability of our business through reduction of carbon footprint and develop bio and recycled material based film applications in collaboration with our customers and suppliers.
7. Leveraging our strong balance sheet and cash surplus to invest in New Projects to give further impetus to growth in coming years.

To summarise, we expect the macro and micro business environment to remain challenging in the next two years with reduction in margins from the high levels of 2010 but remain confident that through a combination of right business strategies and execution through our highly competent and committed team of employees, we would continue to outperform our peers in the industry and deliver superior value and returns to our shareholders.



Ranjit Singh

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 (PET, BOPP & CPP) which are mainly used in the flexible packaging industry. Polyplex is one of the leading integrated producers of Polyester (PET) films in the world. In the recent past, the Company also has ventured into downstream businesses like Silicone Coating and Extrusion Coating. As part of its concentric diversification strategy, the Company has also decided to enter into the Thick PET film business as well as install a Blown PP film in order to broaden the product offering on its silicone coated films business.

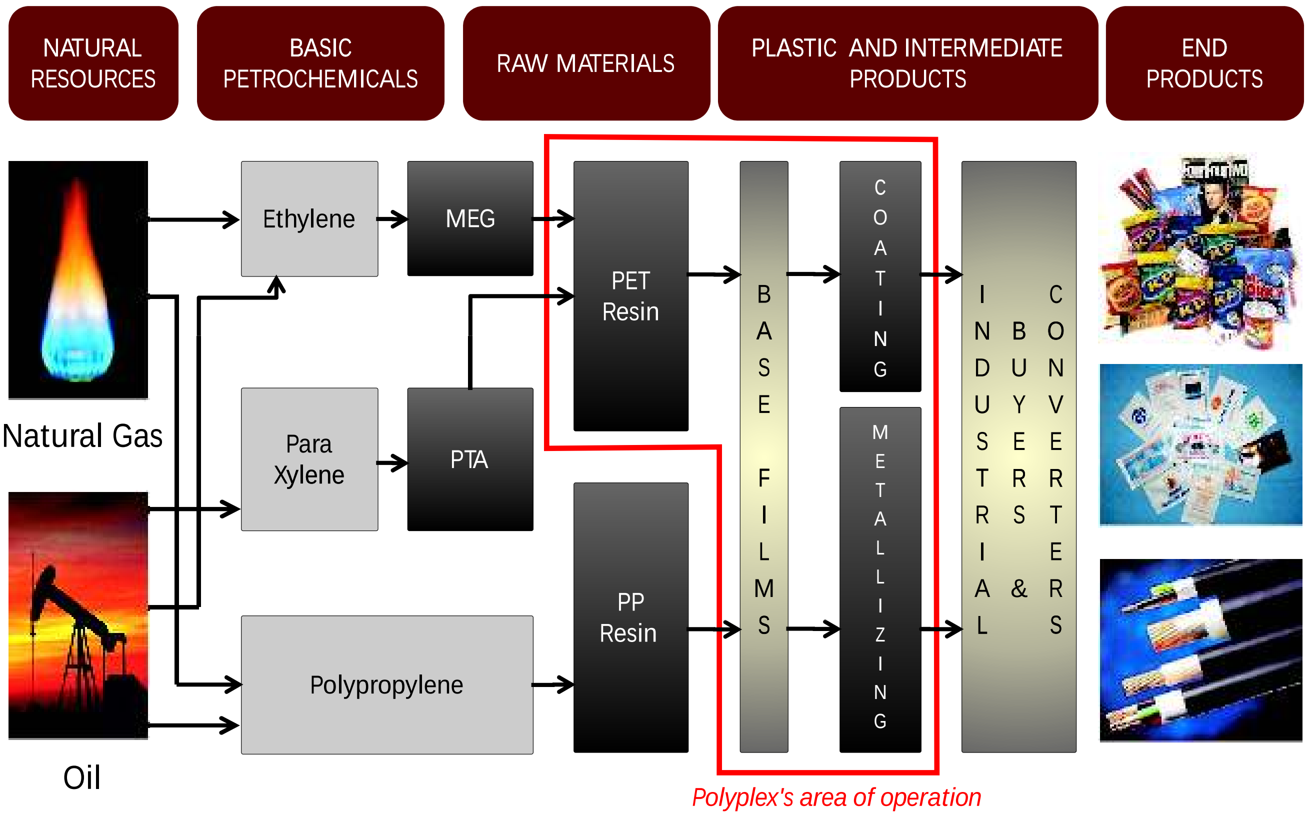
PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) & Mono-Ethylene Glycol (MEG). The Company produces its own resin.

The Company largely produces PET films for application in Packaging, Electrical and other Industrial segments like hot stamping foils, thermal lamination, cable wrap, release films, air conditioning ducts etc. Currently, Company produces only thin PET 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 being the dominant business segment, the Company would now be in a position to offer other substrates used in the flexible packaging industry. BOPP and CPP films are Polypropylene (PP) based films, which are pre-dominantly used in packaging besides 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.

The value chain for the Company's Plastic film businesses is depicted below:



GLOBAL OPERATIONS

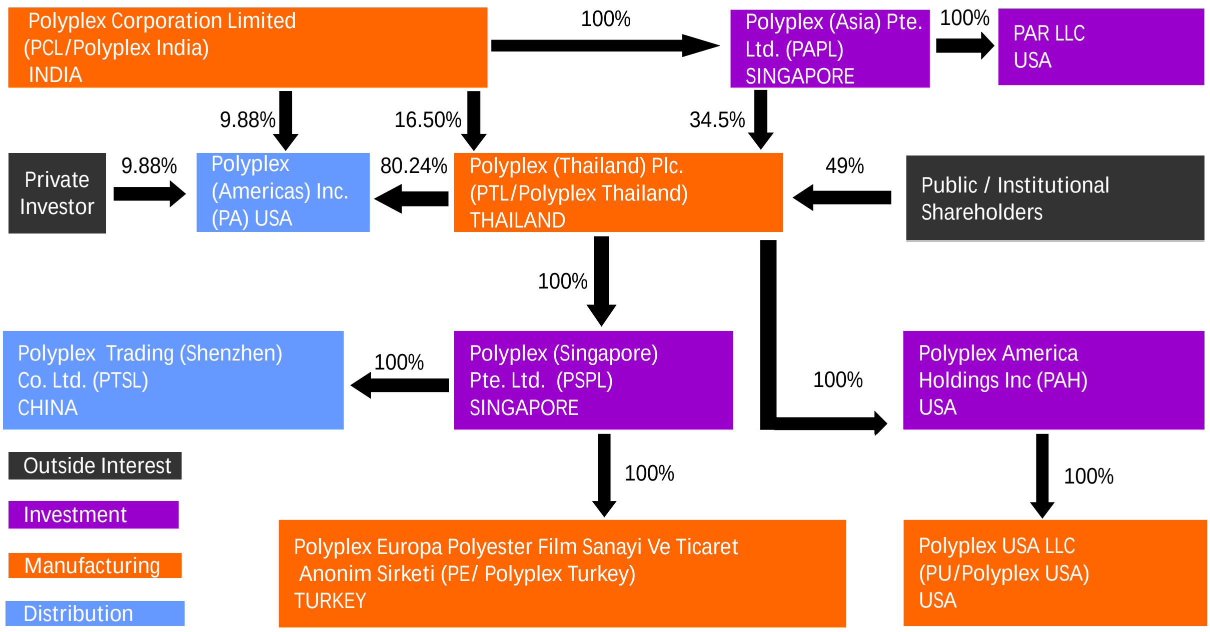
Polyplex has attained a leadership position in the thin PET films business with manufacturing facilities in India, Thailand and Turkey and a distribution setup in USA and China.

Polyplex Corporation Ltd. (PCL/ Polyplex India) has a majority ownership of 51% 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) and Polyplex Trading (Shenzhen) Co. Ltd. (PTSL/Polyplex China). The Company also has a 51% controlling stake in Polyplex (Americas) Inc. (PA/ Polyplex Americas), a wholly owned subsidiary of Polyplex India . During the year, Polyplex (Asia) Pte. Ltd (PAPL/ Singapore) had sold 19% stake in PTL.

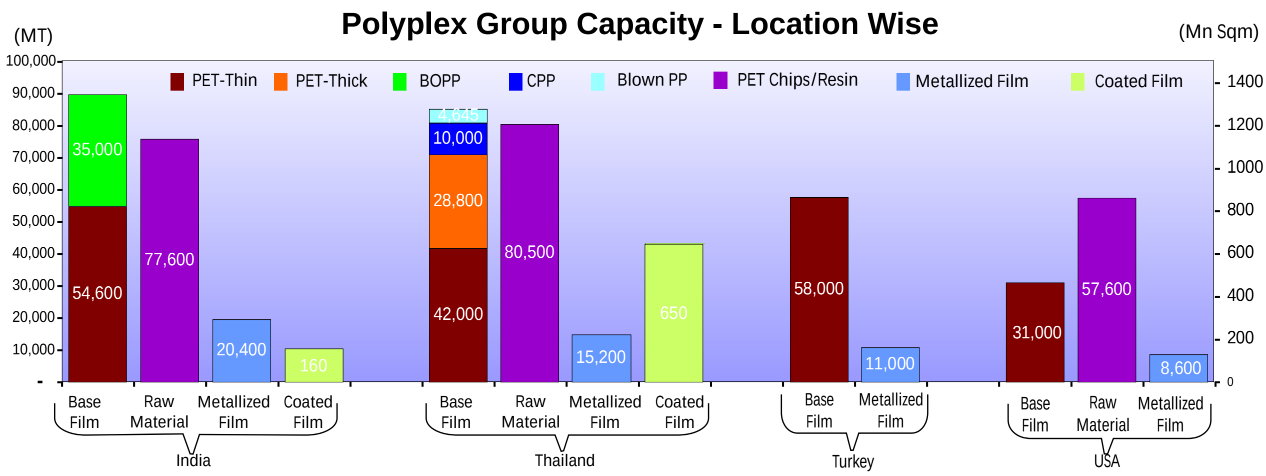
With a view to further expand its global manufacturing footprint into North America, Polyplex has recently incorporated two new entities in USA. Polyplex America Holdings Inc (PAH) would be 100% held by PTL and would be the intermediate holding company for Polyplex USA LLC (PU) which would invest in a greenfield facility in the State of Alabama in USA. The proposed project scope includes a thin PET film line, a continuous process PET chips plant and a metallizer.

Further, PAPL has invested in PAR LLC, USA which would be an investment vehicle for a real estate investment in the USA which is expected to enable profitable deployment of part of its cash surpluses.

The current group structure (as of July 31, 2011) can be depicted as follows:

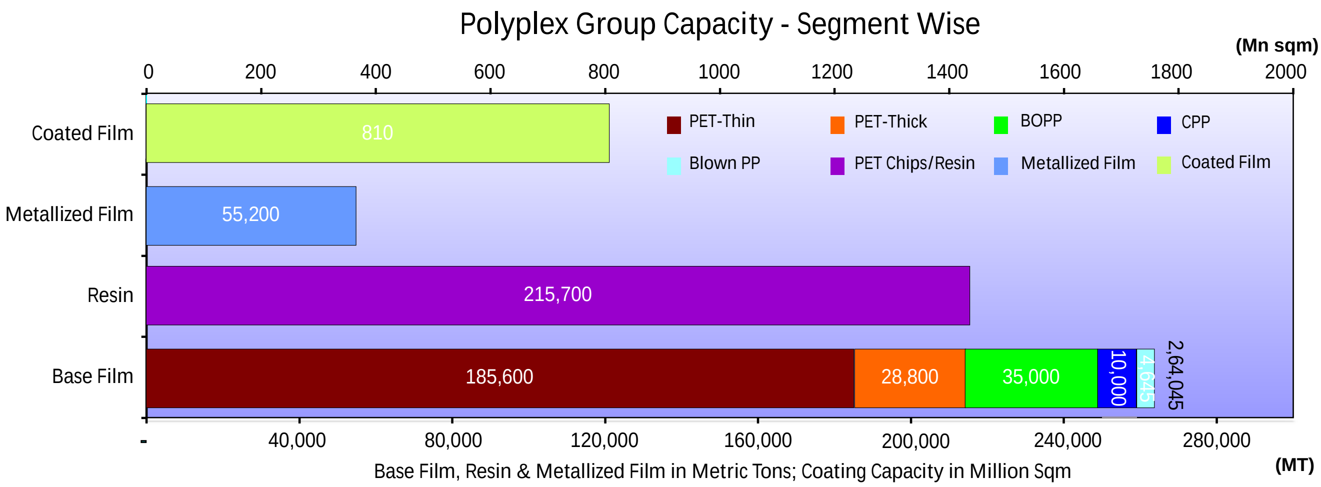


On completion of the ongoing / approved projects, manufacturing capacities at various locations are expected to be as follows:



Base Film, Resin & Metallized Film in Metric Tons; Coating Capacity in Million Sqm

Note: In PTL, Thailand, the Board of Investment (BoI) approved capacity is different for PET films (48,000 tons), Metallized films of 21,800 tons and Coated films of 1025 million sq.m.

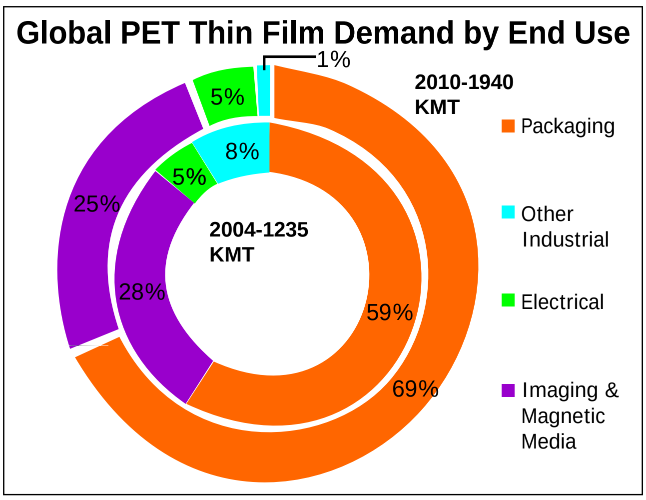


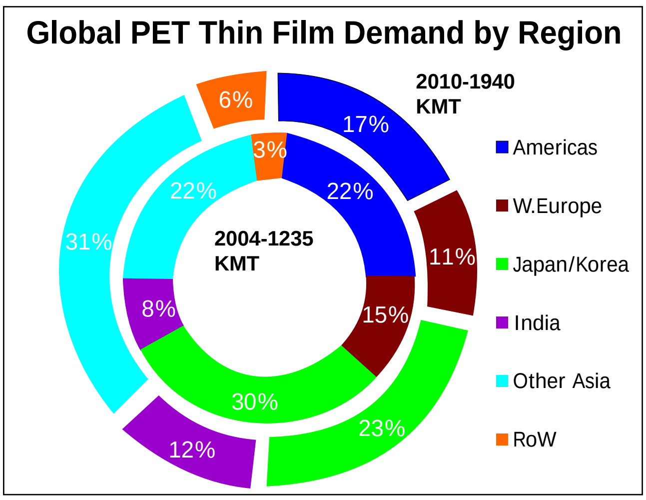
PET FILM BUSINESS

The growth in 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 98% of the total demand and the traditional high-end technology segments like magnetic media and imaging segments are reduced to only 2% of the total consumption due to technology transformation. Polyplex currently produces only thin PET films, which represents three-fourth of the overall global PET film demand. The Company has now decided to foray into the Thick PET film segment by putting up a manufacturing line in Thailand, which is under implementation and expected to go on-stream by end of Q4 of FY 2012-13. This would help diversify sales into segments like industrial and optical end use segments including new uses in Photovoltaic (PV) industry.

Better packaging not only improves the shelf life of the products by providing protection against oxidation and aroma loss but is also essential for improving product appeal in a highly competitive consumer goods industry. Flexible packaging also plays a key role in source reduction on the principle of 'use less waste in the first place' 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 more rapidly than other substrates, growing at an average of about 8-10% per annum. Demand in packaging is quite resilient as it relates to consumption of food products and consumer staples which are to a large extent non-discretionary in nature. This had moderated the impact of the global economic recessionary environment on the industry in 2008, as compared with some of the other end-use segments like industrial and electrical which had been impacted more and had witnessed a contraction in demand in 2008. The revival of demand growth in 2009 and 2010 has also been faster in the packaging application as compared to other applications of thin PET films.

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 of this, Asia (excluding Japan & Korea), is the largest market for PET films with almost one-third of the PET films produced being consumed in this region. At the same time, per capita consumption of packaging material in developing countries is still very low as compared to the mature markets. The key drivers of demand growth in these regions is the increasing prevalence of modern trade, increasing consumerism, changing demographics and the resulting need for better and more convenient packaging.





Source: Company estimates

A similar trend is also evident on the supply-side with most of the new capacities being added in low-cost developing countries. Most of the 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 have now been forced to concentrate in the emerging niche technologies in PET films like films for LCDs, solar panels, touch screens and specific high-end applications within packaging. While trade defense measures like anti-dumping and countervailing duties are on the rise in an increasingly competitive market environment, they are unable to address the inherent problems of unproductive assets operating in the developed countries producing regular films. With the ongoing gradual withdrawal of these large producers in the developed markets for commodity film grades, it has created opportunities for cost effective producers like Polyplex to set up capacities in mature regions in order to make up for the vacuum.

During the year 2010, the Thin PET industry witnessed a Demand-supply imbalance scenario due to the following main reasons:

Market Developments

- Demand continued to grow despite the Economic Crisis in 2008-09.
- There had been inadequate / delayed capacity additions.

Structural changes:

- Closure of some old uneconomic lines.
- Diversion of capacity from packaging to industrial segment as well as conversion of thin film lines into intermediate and thick films for new applications.

New applications

- Optical industry /Photovoltaic (PV).

The above factors ensured that the demand for thin PET film globally in the year 2010 remained more than the supplies, thereby increasing the selling prices to historic highs. This in turn significantly improved the operating margins of most of the manufacturers in this industry. These exceptionally high margins have attracted a lot of new investments with most of these planned expansions expected to come online between 2011 and 2013.

We expect global PET film growth rates to range between 7-10% in the years 2011-15, with demand in Asia growing faster at between 10-12%. From the spate of announcements and lines on order with the machine vendors, it is abundantly clear that the overall capacity addition during 2011 to 2013 is expected to be much higher than the growth in demand. The extent and duration of this excess supply would depend upon the actual timing of the additions to capacity as the evolving situation may result in some lines being deferred or cancelled. Companies with consistent quality products, access to international customers and a better supply chain model stand a better chance of participating in the market growth and improving/maintaining their margins above the industry averages.

BOPP & 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 for these products 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 high productivity BOPP line in India and the CPP line in Thailand as the long-term fundamentals of these investments continue to be good.

SILICONE COATING AND EXTRUSION COATING BUSINESSES

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 siliconized 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 and installing another one in Thailand which is expected to start commercial operations in Q3 of FY 2011-12. The Company has now decided to invest in a Blown PP line in Thailand which would enable better usage of the silicone coating facility and help broaden the product range by entering into the Peel & Stick liner segment for usage in the roofing market in USA.

The Extrusion coating business involves the combination of PET/BOPP 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 & EU are the main markets for the products from these businesses.

INDUSTRY IN INDIA

India witnessed continued and robust domestic demand in the year 2010. The drivers for growth in India are similar to those of other developing countries. However, since the per capita consumption of flexible packaging in India is amongst the lowest in the world (rural penetration being low and steadily increasing), the growth in India has been higher than most other regions.

The Thin PET film market in India is estimated about 230,000 tons for the year under review. However, the ban imposed by Government of India on sales of Gutkha (preparation of beetel nut, tobacco etc.) in plastic sachets in February, 2011, has had a significant impact on demand (estimates range between 25-30% of the Indian market size) for thin PET films. This matter is sub-judice in Supreme Court of India and a decision is expected in Q2 of FY 2011-12.

For the coming years, we expect an annualized growth rate of 12-15% YoY. The total capacity in India is about 400,000 tons, with the surplus production being exported to other parts of the world.

The BOPP market in India is estimated at about 175,000 tons for the year under review against a capacity base of 400,000 tons. Demand is expected to grow at more than 12% annually from now on after a year of tepid growth in FY 2010-11.

Capacity additions which took place in FY 2010-11 were expected to adversely affect the margins but robust demand (some of it being conversion from high priced PET film) nullified the impact. With a few more lines expected to start up in 2011 & 2012, additional supplies could result in a contraction of the margins in domestic market in the short to medium term. Exports of converted product have increased in recent times and are expected to increase the demand of base film consumption in domestic market.

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 key regional markets for an efficient delivery model. Setting up of a new PET film line in USA is another significant step in continuation of this strategy.
- Integrated manufacturing facilities with high productivity assets to ensure cost competitiveness.
- Increasing the proportion of specialty product revenues.
- Accelerate investment in niche downstream products and related films to exploit synergies in operations, broad base product portfolio and provide a platform for further growth. Setting up of the extrusion coating project, the CPP line & Silicone Coating line in Thailand and the BOPP line in India are recent steps taken in this direction. Current initiatives include the first thick PET film line in the Company in Thailand besides the Blown PP line investment.
- Strong global delivery capabilities with a combination of near-shore and on-shore production base and efficient onward distribution network. Acquisition of the distribution company in the USA in early 2006 has been a strategic move of the Company in this direction which has created the base for investing into a manufacturing base.
- Setting up of the Trading Company in China in FY 2009-10 is another strategic decision to establish the Company's presence in one of the largest and fastest growing markets for its products. The Company is also evaluating similar initiatives in other key regional markets like Latin America and Africa where its presence is limited.
- Increased emphasis on upgrading technical service and R&D capabilities.
- Consolidate market position in key geographic locations before the next phase of growth.
- Continuous improvements in all aspects of the operations.

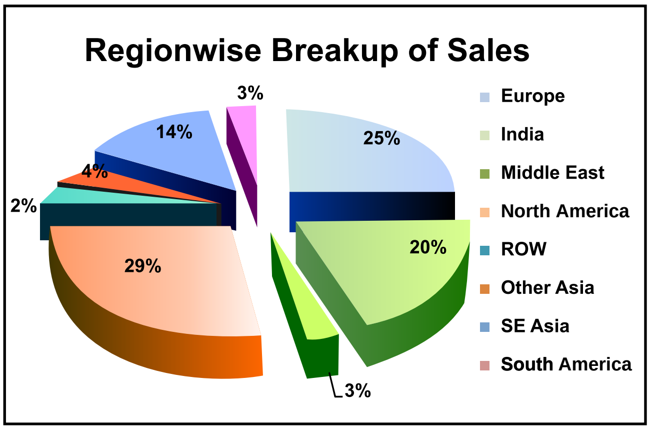
The results of this strategy are exhibited in the successful growth achieved by the Company over the years. Despite the challenging environment, the Company continues to identify attractive avenues for growth and is well-poised to create more long-term value for the shareholders.

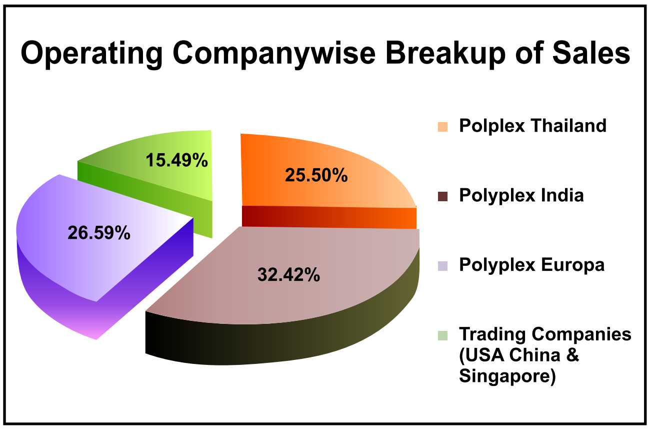
PERFORMANCE DURING THE YEAR

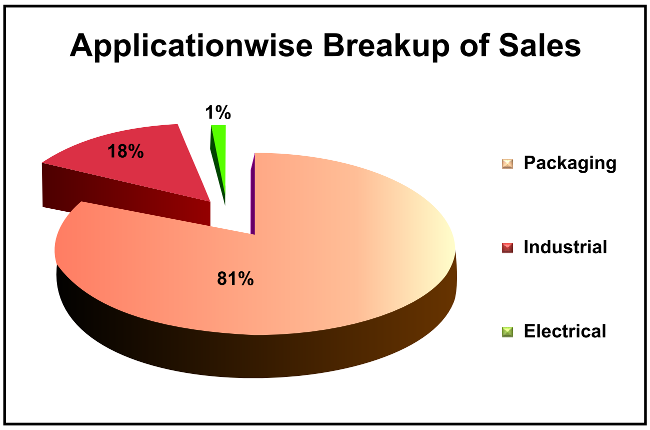
All discussion here is in the context of the consolidated performance of the Company.

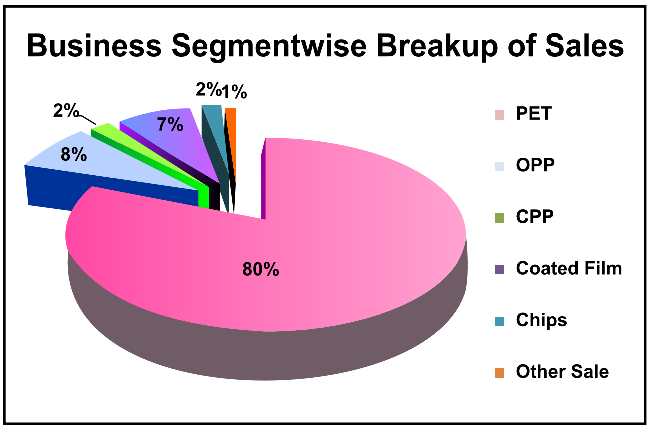
SALES & OPERATIONS:

The Company has a large international presence with active sales in all major regional markets / countries across the world. The Company has a large base of about 1150 end customers and low customer concentration. Its top 10 customer groups contributed 32% of total revenues in 2010-11. 80% of the Company's revenues were from PET films in 2010-11. Of the total sales, 71% are sold directly to the end-users. The breakup of the Company's revenues from the various regions, operating companies, business segment and applications wise are given below:

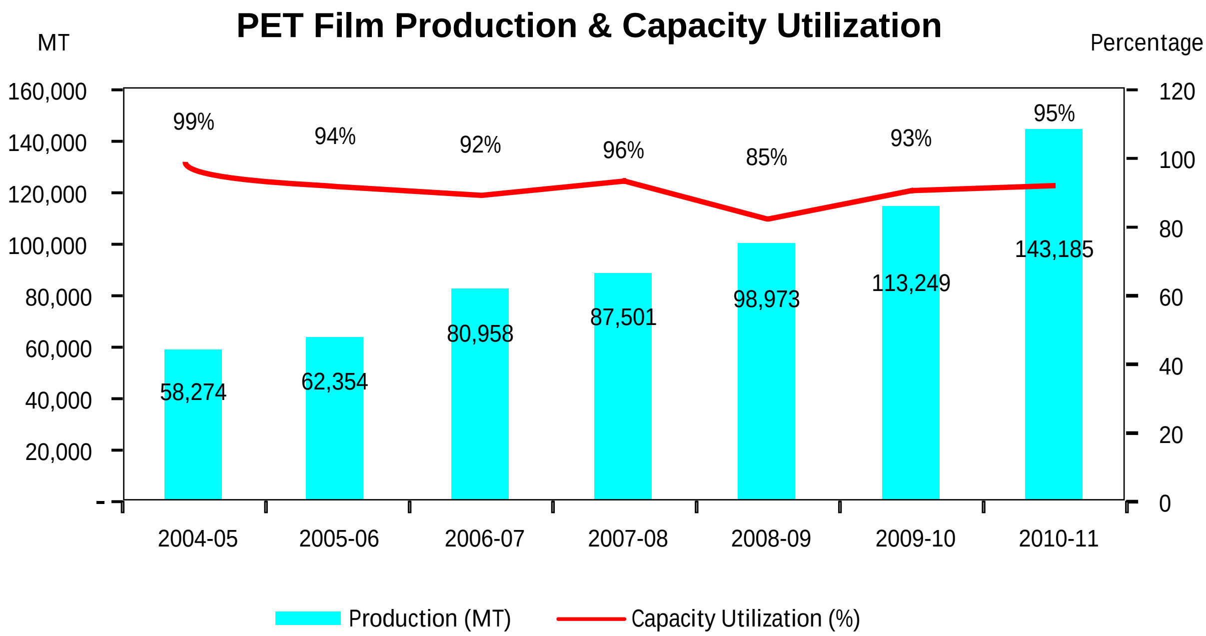








PET film production during 2010-11 increased by 26% as compared to previous year as depicted in the chart below. During the year Company was also able to ramp up operations at its BOPP and PET film line at Bazpur as well as CPP plant at Thailand.



FINANCIAL PERFORMANCE

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

	2010-11 (Rs. in Lacs)	%	2009-10 (Rs. in Lacs)	%	Change (YoY)
Sales & Other Income	245,169	100%	124,031	100%	98%
Manufacturing Expenses (Adjusted for change in stock)	124,600	51%	80,562	65%	
Operating and other Expenses	30,124	12%	19,369	16%	
EBITDA	90,445	37%	24,100	19%	275%
Interest & Finance Charges (Net)	4,218	2%	2,483	2%	
Depreciation and Amortization	8,387	3%	5,988	5%	
Income Before Income Tax (Pre- Exceptional Items)	77,841	32%	15,629	13%	398%
Exceptional Items	63,687	26%	4	0%	
Provision for Income Tax	7,874	3%	1,900	2%	
Net Income (Before Minority Interest)	133,653	55%	13,733	11%	873%
Minority Interest	28,097	11%	4,335	3%	
Net Income (After Minority Interest)	105,557	43%	9,399	8%	1023%

As compared to the previous year, there is a five-fold increase in Income (before taxes, exceptional items and minority interest). The Net Income (post minority) of INR 105,557 Lacs above includes a one-time exceptional gain of INR 63,687 Lacs on account of part stake sale in a subsidiary during the year. The increased profitability is primarily due to improved margins (especially in PET film) besides additional sales volumes from the new Bazpur facility as compared to previous year.

1. Sales and Other Income

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)	Change (YoY)
Sales & Operational Income	243,332	121,801	100%
Other Income	1,837	2,230	–18%
Total	**245,169**	**124,031**	98%

During the period, Sales & Operational Income increased by 98%. In 2010-11, the increase in revenue was due to additional sales volumes contributed from new production lines at various locations and better sales realizations, especially in PET films segment, as compared to last year.

The Break-up of Sales and Operational Income comprises of 80% from PET Film (87% in 2009-10), 2% from PET Chips (3% in 2009-10), 7% from Coating businesses (7% in 2009-10) and 11% from CPP/BOPP films and other sales (3% in 2009-10).

2. Manufacturing Expenses

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)	Change (YoY)
Raw Materials Consumed (Incl. Stock Accretion/Decretion)	98,481	63,244	54%
Power & Fuel	14,758	8,967	65%
Packing Material Consumed	6,809	4,608	48%
Stores & Spares Consumed	3,391	2,874	18%
Repairs and Maintenance	1,161	868	34%
Total Manufacturing Expenses	**124,600**	**80,562**	**55%**
as a % of Sales and Other Income	*51%*	*65%*	

Manufacturing expense as a percentage of sales and other income declined from 65% in 2009-10 to 51% in 2010-11 due to fact that increase in selling prices of the products is much higher than the increase in raw material prices and other costs.

It is noteworthy that absolute manufacturing expenses increased by 55% when compared with previous year due to higher input prices and increased volumes.

Other manufacturing costs like packing cost, stores & spares and repair and maintenance increased mainly due to the expanded scale of operations.

3. Operating and other Expenses

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)	Change (YoY)
Personnel Expenses	12,144	7,860	55%
Administrative Expenses	5,498	3,973	38%
Selling Expenses	12,122	7,400	64%
Other Expenses	360	136	164%
Total Operating and other Expenses	30,124	19,369	56%
as a % of Sales and Other Income	*12%*	*16%*	

Despite increase in operating and other expenses by 56% YoY, as a percentage of total revenue the same shows a decline from 16% in 2009-10 to 12% in 2010-11 due to increased level of operations and exceptional market conditions.

4. Interest & Finance Charges (Net)

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)	Change (YoY)
Interest Expense	4,082	2,295	78%
Bank & Other Financial Charges	1,005	442	127%
Total Interest and Finance Charges	5,087	2,736	86%
Less: Interest Income	(869)	(253)	244%
Net Interest and Finance Charges	4,218	2,483	70%
as a % of Sales and Other Income	*2%*	*2%*	

Despite reduction of 15% in year-end aggregate debt levels, there is an increase in interest & finance charges by 86%, as the interest on the debt contracted for new film lines at Thailand and India impacted the P&L this year. The higher interest income reflects the income generated through profitable deployment of cash surpluses in low risk money market instruments / bank deposits.

5. Liquidity & 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 / long-term debt for meeting its requirements.

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 122,549 Lacs (including unutilized working capital limits of INR 33,633 Lacs), as at the end of the reporting period.

Cash flows during 2010-11

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)	Change (YoY) (Rs. in Lacs)
Net Cash Flow From Operating Activities	49,042	24,674	24,368
Net Cash Flow From Investing Activities	61,101	(34,017)	95,118
Net Cash Flow From Financing Activities	(18,873)	12,358	(31,231)

Cash flow from Operations

For the year under review, cash-flow from operating activities was INR 49,042 Lacs, an increase of 98% over 2009-10. Cash operating profit was INR 91,522 Lacs (INR 23,507 Lacs in 2009-10), an increase of 289%. The improvement is due to higher operational profits during the year especially in PET film segment and enhanced scale of operations. A large proportion of cash operating profit has been deployed in build up of net current assets required to sustain the increased level of activity / turnover.

Cash flow from investing activities

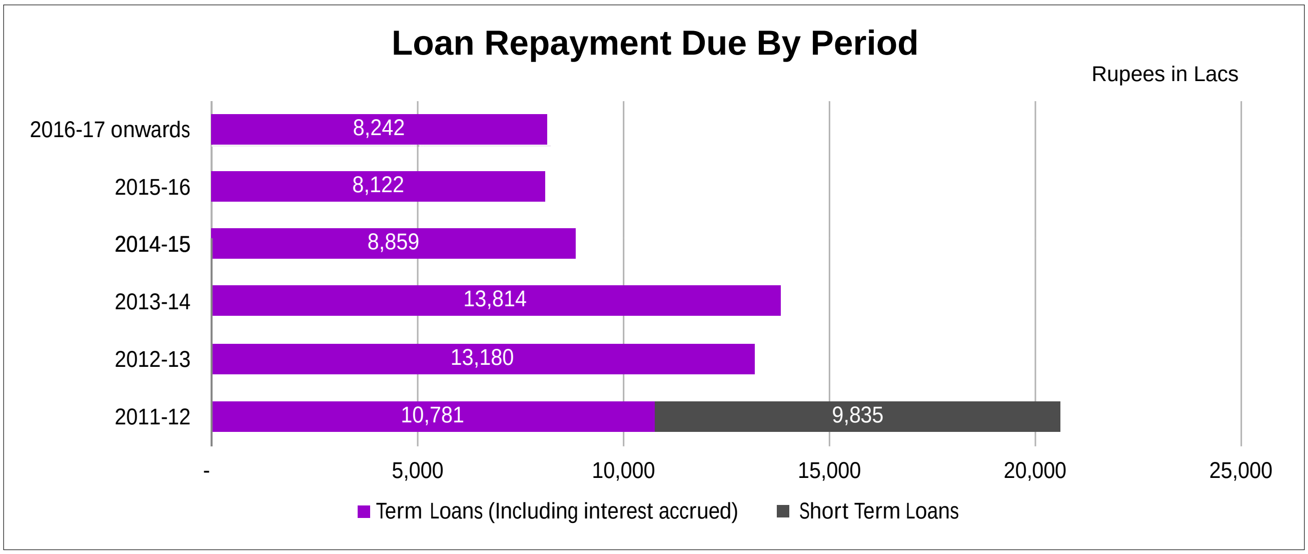
The cash generated was used in investment in fixed assets and CWIP to the tune of INR 14,573 Lacs in 2010-11 (INR 36,175 Lacs in 2009-10), mainly towards on-going projects at various locations. Inflow of INR 63,687 Lacs was due to part stake sale in a subsidiary company. Payment to minority was INR 9,696 Lacs in 2010-11 (INR 3,157 Lacs in 2009-10). Interest and dividend income during the year was INR 867 Lacs (INR 300 Lacs in 2009-10).

Cash flow from financing activities

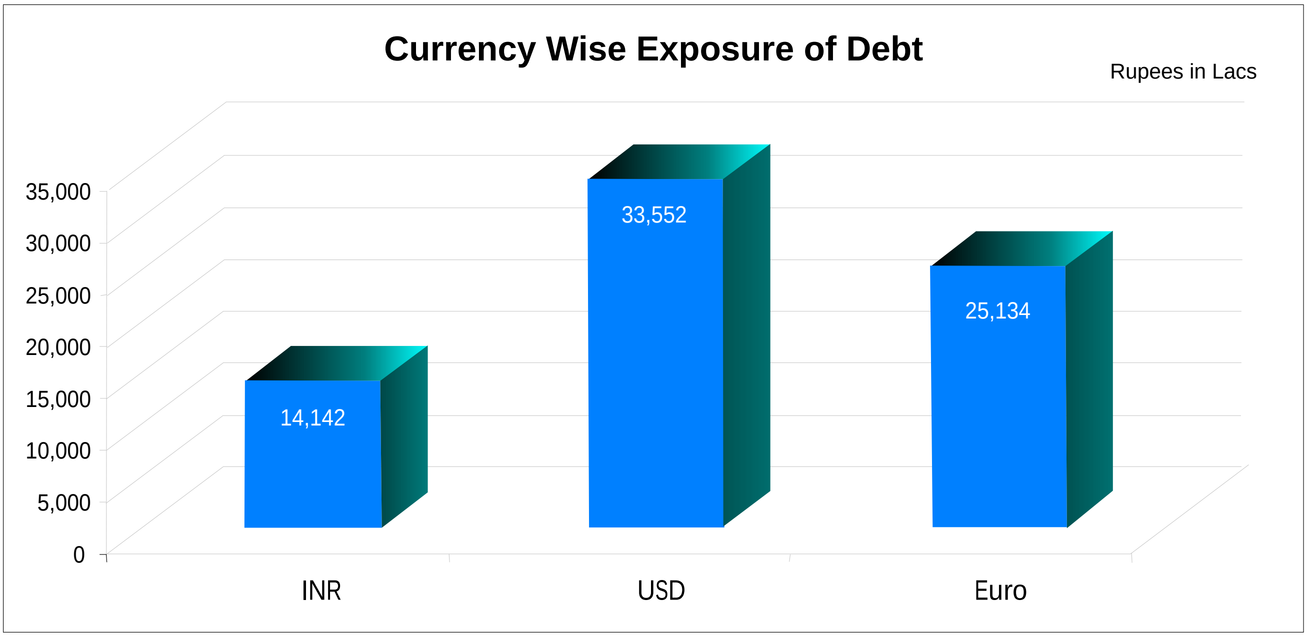
During the year a net amount of INR 11,219 Lacs was repaid (after accounting for fresh borrowings) against long-term and short-term debt (INR 16,339 Lacs net borrowing in 2009-10). The Company paid dividend (including distribution tax) of INR 2,584 Lacs in 2010-11 (INR 1,300 Lacs in 2009-10). The interest paid during the year amounted to INR 5,070 Lacs (INR 2,711 Lacs in 2009-10).

6. Debt Profile

Total debt (including interest accrued) as on March 31, 2011 was INR 72,833 Lacs, a decline of INR 12,562 Lacs from a debt level of INR 85,396 Lacs in March 31, 2010. This was due to repayment and prepayment of some higher interest bearing debt from the surplus cash generated from the operations.



A currency wise break-up of the debt is as under:



PROJECTS UNDER IMPLEMENTATION

The Company is converting its first PET film line at Khatima plant into specialty film line with a capital investment of around INR 6,835 Lacs (USD 15.3 million). The modification of the Khatima film line will facilitate the broad basing of product portfolio in India. The project is expected to start commercial production in Q3 of FY 2011-12. In addition to above company has added another metallizer at Bazpur in July, 2011 with a capital investment of around INR 1,650 Lacs (USD 3.7 million).

The Company is currently implementing a Silicone coating line in Thailand at an estimated outlay of INR 10,274 Lacs (USD 23 million), as a part of its push for forward integration and value added products. The civil works for the line have been completed in Q1 of FY 2011-12 and the commercial start up is anticipated by Q3 of FY 2011-12. This is a high capacity line with capability to making products suitable for the entire spectrum of end-uses for silicon coated products. The introduction of a Blow PP line in 2012 would enhance usage of this silicone coating line besides adding another end use segment of Peel & Stick liner in the product range.

The Company is also in the process of setting up a thick film line and a Batch process chips plant in Thailand with a capital investment of INR 33,435 Lacs (USD 75 million). This investment will further diversify its product portfolio; meet our in-house requirement of base film for silicone coated products and shift focus from packaging to industrial segment. Further Thick film also offers a relatively higher margin and more stable business, thereby mitigating the risk of volatility in earnings. The project is expected to start commercial production in Q3 of FY 2012-13.

The Company has decided to relocate the PET film line (originally ordered for Turkey), chips plant and metallizer to USA. The total capital investment is estimated to be around INR 44,580 Lacs (USD 100 million). Investment in USA will equip us with proximity to key markets, faster deliveries and is clearly a source of differentiation in the eyes of the local customer. Risk of Trade remedial measures like AD/CVD duties can also be significantly reduced / eliminated. Further, an additional manufacturing location will also significantly diversify the overall business risk.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility has been an important part of the mission of our Company. The quality of life of its employees, welfare of the community in which it operates and protection of the environment has been engaging the attention of our Company.

The Company continued its various activities in support of the community around its manufacturing plants by organizing health camps, vocational training and support to poor children, so as to improve the general well-being of the community at large.

Polyplex and its employees are aware of the social responsibilities and have made contributions to various causes including natural calamities. At its plant location in Khatima, India, the Company runs a school which provides equal educational opportunities to children from all sections of the society. Blood donation camps are often held at its various facilities. Moves are afoot to scale up the level of CSR initiatives with a commitment to reserve a significant outlay for the same.

HEALTH, SAFETY AND ENVIRONMENT

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 manufacturing locations have attained the Occupational Health and Safety Management Certification (OHSAS 18001: 2007) except the new plant at Bazpur (under process) 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. One of the key initiatives is the successful development of Green Pet film with a significant proportion of bio sustainable inputs and/or usage of recyclate.

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

Systems Already Implemented		PCL–Khatima	PCL–Bazpur	PTL–Thailand	PE–Turkey
ISO 9001:2008	Quality Management System	Certified Since 1996	Certified in November 2010 for both the systems	Certified Since 2004	Certified Since Nov ‘2006
ISO 14001:2004	Environment Management System	Certified Since 2002		Certified Since 2004	Certified Since Feb’2009
OHSAS 18001: 2007	Occupational Health & Safety Management System	Certified Since 2004	Plan for certification in November 2011	Certified Since June’ 2008	Certified Since Feb’2009
ISO 22000:2005	Food Safety Management System	Certified Since May’ 2008		Certified Since Dec’ 2009	N.A.
BRC	Food Safety Management System	N.A.	N.A.	N.A.	Certified Since Nov’2006

HUMAN RESOURCES

Polyplex’s workforce of over 1380 employees is a blend of diverse nationalities and cultures. The Company believes that its employees are at the core of its corporate purpose. They are the key to achieving its vision and are the primary source of competitive advantage.

As part of its quest for Human Resource Excellence, the Company has drawn up a road map for continuous improvement in its employee engagement practices. 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 has embarked upon the creation of a process centric organization. This initiative, which has been implemented at its new manufacturing facility in Bazpur, India, is now being extended in a phased manner to other plant locations. Multi-skilling approach will provide greater job enrichment to its employees and once fully institutionalized, this initiative is likely to yield significant operational benefits as it is redeployed at other locations after refining the process based on the learning from the experience in Bazpur.

Industrial relations have generally been cordial and peaceful across all manufacturing locations.

INFORMATION TECHNOLOGY

During the year under review, the Company has initiated several improvement programs to upgrade hardware / applications running at its various facilities so as to create a more process centric way of working and aid decision making. The Company is also evaluating further tools & add-ons in its quest to leverage IT to achieve higher levels of efficiency, optimization and controls.

On the network & communications side, the Company continues to invest regularly to achieve better and reliable connectivity.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Internal Audit function is an independent function reporting directly to the CEO. The Company has a reasonable system of internal control comprising authority levels and powers, supervision, checks and balances, policies and procedures. Continuous efforts have been made over the past year to review the existing system to bring about further improvements and document policy gaps. The Company is fully committed to ensure an effective internal control environment which would provide assurance on the efficiency of its operations and security of its assets. The Company continuously upgrades its internal control system by measures such as strengthening of IT infrastructure and use of external management assurance services.

FUTURE OUTLOOK & PLANNED INVESTMENTS

The improved market sentiments in 2010 have already given way to increase apprehension on the likely excess supply in the mainstay PET/OPP films business. While demand growth remains intact and robust, lumpy and high capacity additions in anticipation of future growth does create periods of high competition with the resultant moderation in margins.

The Company remains confident that with its strengths and superior performance it should be able to grow profitably and withstand variability in industry environment, especially so as its conscious strategy of diversifying its product portfolio and higher proportion of value added products have started demonstrating the desired results. The Company is well poised to capture growth opportunities in all its business segments within the confines of business prudence.

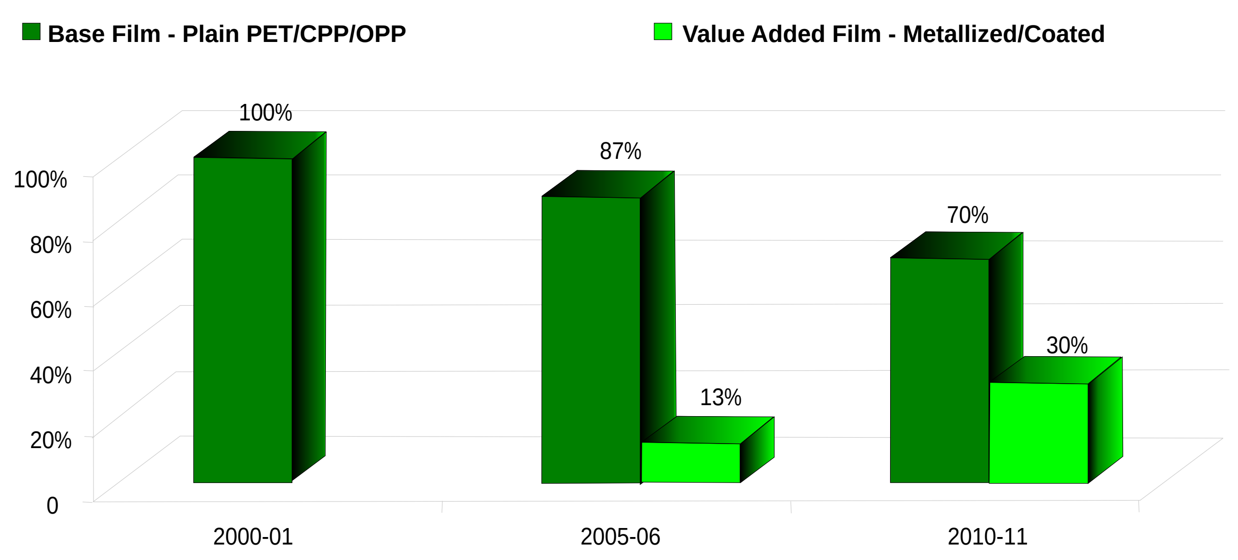
RISKS

COMPETITION & BUSINESS CYCLES

Demand-supply balance is the major factor influencing industry cycles. This balance in base films (PET/OPP/CPP) could vary across regions as well as product categories notwithstanding large international trade flows. 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 high likelihood of excess supply due to bunched startup of new capacities whereas growth in demand is linear. 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 with the ability to service key regional markets based on low delivered cost.
- Geographically distributed manufacturing enabling better delivery capabilities, which provides 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 metallizing and 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.
- A historical trend is given below:



Share in Film Sales Turnover

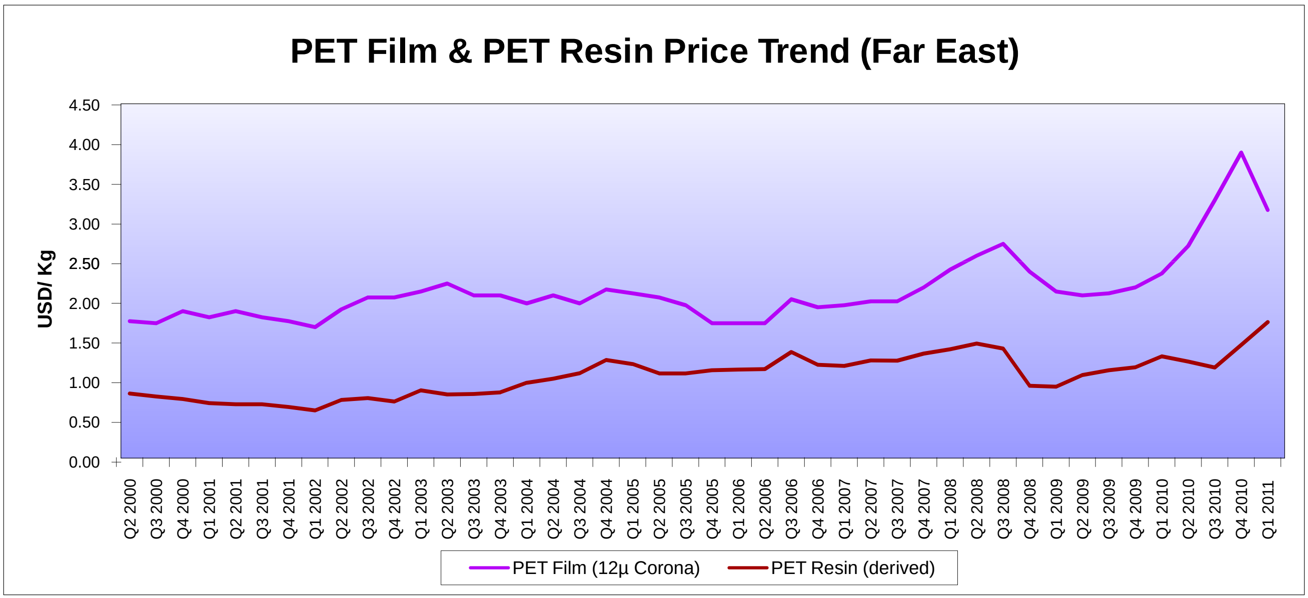
VOLATILITY IN COMMODITY PRICES

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 Polyplex in a materially advantageous or disadvantageous position vis-à-vis our competitors.

The prices of our downstream products like silicone coated and extrusion coated 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 Far East region is given below.



Source: Company estimates.

TRADE DEFENSE MEASURES

International trade in PET film has been subjected to trade defense 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 countries 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 last US Anti-dumping petition of 2007 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 had led to non-imposition of any special duties on exports from Thailand to USA. The duties on these countries (other than Thailand) have been reiterated at almost similar levels in an administrative review conducted by the US Department of Commerce in 2010.

Exports from India are subject to Anti-Dumping and CVD duties, totaling to 0.00% - 29.30% in EU and 3.57% 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 3.70% 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 manufacturing and sales portfolio also helps mitigate the adverse fall-out of such an action, if any.

LIQUIDITY

Global financial stability has improved since the crisis in 2008, bolstered by better macroeconomic performance and continued accommodative macroeconomic policies, but fragilities still remain on account of unemployment in advanced economies and new challenges like the continuing Greek debt problems, recent downgrade of the US economy, etc.

The Company has experienced exceptional profitability during the year, resulting in high cash reserved which translate into a debt free status. Cash and cash equivalents, together with undrawn credit lines and liquid investments, aggregated to about INR 122,500 Lacs as at the end of the reporting period. The Company's cash from operations along with forecasted profitability is a key factor for expansions and investment decisions. Despite expansions, the Company ensures healthy liquidity to ensure that debt levels remain within prudent norms of leveraging.

The Company periodically undertakes "Stress" tests to evaluate the potential impact of an adverse economic and industry environment. The review period witnessed positive business environment and generated higher liquidity for the Company. Free cash flows along with large unutilized credit lines shall be quite adequate in any kind of stress situation.

EXCHANGE RATE AND INTEREST RATE RISK

It is the Company's policy to minimize the currency related risk by adopting the natural hedge strategy. Natural hedge is created by fixing the liabilities in the currency of operational surplus. The remaining mismatched exposures are managed by the Company through a careful process of identification, measurement, monitoring and hedging by using simple instruments like forwards 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 liabilities, 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. USD and EURO borrowings constitute 78% of the debt profile, each contributing almost an equal share. In order to have a more balanced portfolio, the Company has also shifted some of its floating rate debt to fixed rate through interest rate swaps in order to make the portfolio less susceptible to the inevitable rise in interest rates. Out of the total debt portfolio, as on March 31, 2011, 85% was floating in nature. The interest rates in USD have been quite low for the past few years. However, Euro interest rates have shown upside movement in 2010-11.

CREDIT RISK

The Company faces credit risk on its receivables with an average credit period during 2010-11 of 55 days as compared to 61 days in 2009-10. This decrease in collection period is mainly due to a selective "Cash and Carry" model adopted by the company in domestic market. With over 1150 customers, the Company has a well-diversified credit exposure with the top 10 customer groups constituting only 32% of the total revenues in 2010-11 of which 20% was from large distributors with a diversified end customer base. Wherever possible, the Company prefers to secure its risk either through trade instruments or credit insurance. The changes in the economic and financial environment in late 2008 had resulted in a general deterioration of the credit quality and a reduction in the credit insurance limits available for our customers. Following a gradual stabilization in the credit markets, availability of credit insurance has improved. However, as a prudent measure, the Company continues to maintain a cautious approach on credit risk.

PROJECT IMPLEMENTATION RISK

Risks associated with implementation of new projects are inherent to the business. Any delay in implementation, cost overrun, inability to stabilize production from the new investment may significantly affect the future profitability and financial position. Some of significant investments in recent past viz Bajpur facility and CPP plant in Thailand have already commenced production and the ramp up in utilization levels has also been achieved without significant delay. The risks are sought to be mitigated by forming appropriate project management team, corporate management oversight and suitable protection clauses in contractual arrangement and appropriate insurance products.

COUNTRY RISK

The installed capacity of base films as also downstream units is quite evenly spread out among the three manufacturing country locations of India, Thailand & Turkey. 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 have been faced in the past years 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 expansion plan of setting up a manufacturing facility in USA the exposure will now be spread to four 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 affect 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 later in this section.

DIRECTORS' REPORT

Your Directors have pleasure in submitting the Twenty-sixth Annual Report and Audited Accounts for the year ended March 31, 2011.

1. Financial Highlights and Operations

The stand alone financial performance of the Company for the year ended March 31, 2011 is summarized below:

(Rs. in Lacs)

	2010-11	2009-10
Earnings before Interest, Depreciation and Tax (EBIDTA)	**31,841.85**	9,607.59
Less : Interest & Finance Charges (Net)	**3,500.49**	848.94
Less : Depreciation	**3,221.42**	1,036.69
Profit before Tax	**25,119.94**	7,721.96
Add: Exceptional Item - Gain	**–**	4.03
Profit before tax but after exceptional item	**25,119.94**	7,725.99
Tax expenses & prior period adjustment	**7,466.70**	1,728.35
Profit after Tax	**17,653.24**	5,997.64
Add : Surplus brought forward	**9,616.65**	5,720.88
Profit available for Appropriations	**27,269.89**	11,718.52
Appropriations		
Transfer to General Reserve	**1,780.00**	610.00
Interim Dividend	**959.54**	–
Proposed Final Dividend	**2,238.92**	1,279.38
Corporate Dividend Tax	**522.58**	212.49
Balance surplus carried to Balance Sheet	**21,768.85**	9,616.65

2. Consolidated Working Results (Under Indian GAAP)

(Rs. in Lacs)

	2010-11	2009-10
Net Sales and other income	**2,45,167.67**	1,24,030.85
Profit before Interest, Depreciation and amortisation	**90,445.84**	24,099.80
Profit before Tax	**77,841.01**	15,628.87
Add: Exceptional Item - Gain	**63,687.01**	4.03
Provision for Tax & prior period adjustment	**7,874.39**	1,899.60
Profit after Tax	**1,33,653.63**	13,733.30
Less : Minority Interest	**28,096.69**	4,334.74
Profit after Tax and Minority Interest	**1,05,556.94**	9,398.56
Earnings Per Share of Rs.10/- Each (Rs.) (Basic)	**330.03**	29.39
Earnings Per Share of Rs.10/- Each (Rs.) (Diluted)	**330.03**	29.26

3. **Year in Retrospect**

During the year under review, Consolidated Sales & Operational Income has increased by 98% over previous year, riding on the back of exceptional market conditions reflected in higher sales prices besides additional sales volumes contributed from new production lines at various locations.

Consolidated Net Income (before taxes, exceptional items and minority interest) rose five-fold. The Net Income (post minority) of Rs 1,055 Crores includes a one-time exceptional gain of Rs 637 Crores on account of part stake sale in a subsidiary during the year.

With a much stronger financial position, the company is implementing several new projects across its global footprint besides adding USA as another manufacturing hub. These new projects / locations are expected to provide further impetus to growth and profitability in years to come besides enabling your Company to provide a much wider range of plastic films to its customers.

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**

In addition to the Interim Dividend of Rs.6/- per share paid during the year, the Board has recommended Final Dividend of Rs 7/- per share (tax free in the hands of shareholders), on enhanced capital by way of issue of Bonus Shares in the ratio of 1 : 1 during the year, which would be paid after its approval by the shareholders in the ensuing Annual General Meeting.

5. **Increase in Share Capital**

During the year Company increased its Authorised Share Capital from Rs.30 Crores to Rs.34 Crores and increased Issued and Paid up Capital by Rs.15.99 Crores by issuing 1,59,92,300 Equity Shares of Rs.10/- each as Bonus Shares in the ratio of 1 : 1. The Record Date for the purpose of issue of Bonus Shares was December 25, 2010.

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 good.

Recently, following three companies viz. PAR LLC, Polyplex America Holdings Inc. and Polyplex USA LLC, have been incorporated in the United States of America, to be the step-down subsidiaries of the Company.

In terms of General Circular No. 2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, Companies have been granted general exemption from the provisions of Section 212 of the Companies Act, 1956 from attaching accounts of its subsidiaries, subject to fulfilment of conditions mentioned therein. In terms of the said circular, financial data is given in the 'Details of the Subsidiary Companies'.

7. **Consolidated Financial Statements**

Audited Consolidated Financial Statements for the year ended March 31, 2011 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, 2011 and of the profit of the Company for the year ended on March 31, 2011.

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 Om Prakash Mehra and Dr. Suresh Inderchand Surana retire by rotation and being eligible have offered themselves for re-appointment.

11. Auditors

The Company's Auditors M/s. Lodha & Co., Chartered Accountants, (Registration No. 301051E) retire at the forthcoming Annual General Meeting, and have confirmed their eligibility and willingness 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 cooperation 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 8, 2011

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:

- Reduction in FO consumption by
  - Increasing insulation of equipment and reducing heat losses.
  - Reduction in steam consumption.
- Reduction in electricity consumption
  - Using energy efficient bulbs.
  - Reducing idle working of blowers.
  - Modifying air conditioning duct and conveying system in plant.
- Water conservation and rain water harvesting.

B. RESEARCH & DEVELOPMENT (R&D)

- Development of environmental friendly films and applications based on source reduction, biodegradability & biomaterials.
- Development of high barrier mettalized film.
- Development of transparent film based on Nano-Coating.
- One patent has been granted to the company during the year.

C. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

- Adoption of the direct melt process for resin manufacturing for BOPET film.
- Efficient absorption of the BOPP manufacturing technology.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earned : Rs.41,232.37 Lacs
(Previous Year – Rs.12,495.32 Lacs)

Used : Rs.13,715.15 Lacs
(Previous Year – Rs.38,838.16 Lacs)

DETAILS OF SUBSIDIARY COMPANIES (2010-11)

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		Polyplex Trading (Shenzhen) Company Limited, China	
Closing Price	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)	CNY (In Lacs)	Indian Rupees (in Lacs)
a. Capital	11.30	503.84	8000.00	11773.50	353.26	22280.93	40.36	2545.60	54.25	2418.86	27.31	186.20
b. Reserves	1597.14	71212.00	41999.49	61810.12	58.23	36722.70	911.68	57501.78	24.83	1107.10	0.84	5.73
c. Total Assets	1611.49	71851.83	73041.39	107494.10	411.53	25956.16	1456.01	91833.94	434.19	19359.32	52.76	359.69
d. Total Liabilities	1611.49	71851.83	73041.39	107494.10	411.53	25956.16	1456.01	91833.94	434.19	19359.32	52.76	359.69
e. Details of Investment (other than in subsi-diaries)	66.53	2966.26	1649.46	2427.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f. Turnover	1513.27	67472.47	49807.37	73300.88	9.37	590.99	1370.71	86453.87	802.27	35770.97	81.36	554.67
g. Profit Before Taxation	1504.79	67094.43	16427.67	24176.40	9.21	580.90	575.50	36298.13	25.03	1116.02	3.26	22.24
h. Provision for Taxation	0.01	0.41	0.00	0.00	0.27	17.02	0.01	0.53	8.51	379.44	0.48	3.27
i. Profit After Taxation	1504.78	67094.02	16427.67	24176.40	8.94	563.88	575.49	36297.60	16.52	736.58	2.78	18.97
j. Proposed Dividend	0.00	0.00	10800.00	15894.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes :

1. The financial statements of the subsidiary companies have been converted into Indian Rupess using the exchange rate prevailing on March 31, 2011.

2. The Company will make available the financial statements/details upon request by any investor of the Company and its subsidiaries 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 10.00 a.m.and 1.00 p.m. on all working days.

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 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 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 10 (Ten) Directors of which 2 (Two) are Executive Directors and 8 (Eight) 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 travelling / stay expenses as per Rules of the Company.

(c) Board Meetings

During the financial year 2010-11, Seven Board Meetings were held on May 18, 2010; July 20, 2010; August 12, 2010; October 1, 2010; November 4, 2010; January 25, 2011 and February 15, 2011.

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

Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM	No. of Other Directorships**	Other Committee Memberships***	
Sarvashri					Member	Chairman
Sanjiv Saraf, Chairman	Promoter, Non-Independent Non Executive	7 out of 7	No	6	2	1
Sanjiv Chadha	Promoter, Non-independent Non Executive	2 out of 7	No	Nil	Nil	Nil
Pranay Kothari, Executive Director	Non-Independent, Executive	6 out of 7	No	5	2	1
S.G. Subrahmanyan, Vice Chairman	Independent, Non Executive	7 out of 7	No	Nil	Nil	Nil
O.P. Mehra	Independent, Non Executive	6 out of 7	No	2	1	Nil
B.K. Soni	Independent, Non Executive	4 out of 7	No	1	Nil	Nil

Suresh I. Surana	Independent, Non Executive	3 out of 7	No	2	Nil	Nil
Jitender Balakrishnan*	Independent, Non Executive	3 out of 6	No	12	2	1
Ranjit Singh, Chief Operation Officer	Non-Independent, Executive	6 out of 7	No	Nil	Nil	Nil
Ravi Kumar	Nominee of IDBI Bank, Independent Non Executive	3 out of 7	No	Nil	Nil	Nil

* Shri Jitender Balakrishnan appointed as Director with effect from July 20, 2010.

** No. of Directorship/Membership held in other Companies excludes Directorship/Membership in Private Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956.

*** For determining the membership of Committees only Audit Committee and Shareholders/Investors Grievance Committee have been considered.

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 Companies in which he is a Director.

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

S. No.	Name of the Director	No. of shares held as on 31.03.2011
1.	Shri Sanjiv Saraf	46,138
2.	Shri Sanjiv Chadha	4,000
3.	Shri Suresh I. Surana	200

(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 Secretary of the Finance Committee.

(b) Meetings of the Finance Committee

During the Financial Year 2010-11, three meetings of the Finance Committee were held on April 28, 2010; July 20, 2010 and February 15, 2011.

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

Name of the Member	Meetings attended
Shri Sanjiv Saraf	2 out of 3
Shri Pranay Kothari	3 out of 3
Shri O.P. Mehra	3 out of 3
Shri B.K. Soni	1 out of 3

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, Shri Ravi Kumar and Dr. Suresh I. Surana (w.e.f. 12.08.2010). 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 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 2010-11, five meetings of Audit Committee were held on May 18, 2010; July 20, 2010; August 12, 2010; November 4, 2010 and February 15, 2011.

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

Name of the Member	Meetings attended
Shri S.G. Subrahmanyan	5 out of 5
Shri B.K. Soni	3 out of 5
Shri O.P. Mehra	4 out of 5
Shri Ravi Kumar	3 out of 5
Dr. Suresh I. Surana*	2 out of 3

* Dr. Suresh I. Surana appointed as member of the Committee with effect from 12.08.2010.

(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 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, debenture holders, 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) 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 purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

(n) Approval of appointment of CFO (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.

(o) 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 Non-Executive, Independent Directors viz. Shri S.G. Subrahmanyan, Shri O.P. Mehra and Shri B.K. Soni. and one Promoter Director Shri Sanjiv Saraf. Shri S.G. Subrahmanyan is the Chairman of the Committee w.e.f 12.08.2010. Shri Sanjiv Saraf (from promoter category) was the Chairman of the Committee upto 12.08.2010.

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 financial year 2010-11 four meetings of the Remuneration Committee took place on May 18, 2010; July 20, 2010; November 4, 2010 and February 15, 2011.

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

Name of the Member	Meetings attended
Shri Sanjiv Saraf	4 out of 4
Shri S.G. Subrahmanyan	4 out of 4
Shri O.P. Mehra	4 out of 4
Shri B.K. Soni	2 out of 4

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

i. **Executive Director**

a. **Shri Pranay Kothari**

Shri Pranay Kothari was re-appointed as Whole Time Director designated as Executive Director of the Company for a period of three years w.e.f. September 7, 2009. The details of the remuneration paid/provided to Shri Pranay Kothari during the year 2010-11 are given below:

Salary and Allowances	Rs. 3,37,37,219
Perquisites	Rs. 7,95,888
Total	Rs. 3,45,33,107

Service contract of Shri Pranay Kothari is for three years expiring on September 6, 2012. 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 or salary in lieu thereof. 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 was re-appointed as Whole Time Director designated as Chief Operating Officer of the Company for a period of three years w.e.f. July 13, 2010. The details of the remuneration paid/provided to Shri Ranjit Singh during the year 2010-11 are given below:

Salary and Allowances	Rs. 2,21,88,699
Perquisites	Rs. 6,18,530
Total	Rs. 2,28,07,229

Service contract of Shri Ranjit Singh proposed by the Board of Directors is for three years expiring on July 12, 2013. 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 or salary in lieu thereof. No payment on account of severance fees has been stipulated.

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

Both the Executive Directors are not liable to retire by rotation.

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 2010-11 are given below:

Name of Non-Executive Director	Sitting Fee (Rs.)
Shri Sanjiv Saraf	4,40,000
Shri B.K. Soni	2,60,000
Shri O.P. Mehra	3,40,000
Shri S.G. Subrahmanyan	3,20,000
Shri Ravi Kumar*	1,20,000
Shri Sanjiv Chadha	40,000
Dr. Suresh I. Surana**	80,000
Shri Jitender Balakrishnan	60,000

All Non-Executive Directors except 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.13,90,603/- was paid to firms in which Dr. Suresh Inderchand Surana is a partner, towards professional fee, including service tax and reimbursement of expenses.

In addition to payment of Sitting Fee, Shri Sanjiv Saraf, Chairman and Non Executive Director has been paid/ provided a commission of Rs. 200 Lacs, as approved by the Shareholders in the Annual General Meeting held on September 25, 2010.

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

6. Shareholders/ Investors Grievance Committee

(a) Composition:

The Board has constituted Shareholders' / Investors' Grievance Committee consisting of Shri Sanjiv Saraf, Non-Executive Director (upto 12.08.2010), Shri Pranay Kothari, Executive Director, Shri Ranjit Singh, Whole-time Director (w.e.f. 12.08.2010) and Shri B.K. Soni, Non-Executive Director. Shri Pranay Kothari is the Chairman of the Committee w.e.f 12.08.2010.

The Committee, inter alia, looks into the Investors/ Shareholders Grievances remaining unresolved at the executive level and issue of Duplicate/ Fresh Share Certificates in lieu of original being lost, misplaced, spoiled, and defaced, split in smaller lots or rematerialization of shares in demat form.

Shri A.K. Gurnani, Company Secretary acts as the Secretary of the Investors Grievance Committee and the Compliance Officer.

(b) Meetings of Shareholders' / Investors' Grievance Committee

During the Financial Year 2010-11, 12 such meetings were held.

Attendance of the Members at the Shareholders' / Investors' Grievance Committee was as follows:

Name of the Member	Meetings attended
Shri Sanjiv Saraf*	7 out of 7
Shri Pranay Kothari	11 out of 12
Shri B.K. Soni	3 out of 12
Shri Ranjit Singh**	3 out of 5

* Shri Sanjiv Saraf ceased to be the member of the Committee with effect from 12.08.2010.

** Shri Ranjit Singh appointed as members of the Committee with effect from 12.08.2010.

In addition to the Shareholders'/ Investors Grievance Committee, the Board has constituted a Share Transfer Committee of senior executives with effect from 12.08.2010 to look after transfer / transmission of shares, dematerialization of shares and addressing investors' grievances. The members of the Committee present elect the chairman of the meeting. This Committee generally meets every fortnight.

(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	:	Nil	Received	:	16
Resolved	:	16	Pending	:	Nil

As on March 31, 2011, no request for registration of transfer of shares / dematerialization was pending.

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
25th	2009-10*	25.09.2010	Registered Office at Khatima	10.00 a.m.
24th	2008-09	30.09.2009	Registered Office at Khatima	10.00 a.m.
23rd	2007-08	26.09.2008	Registered Office at Khatima	10.00 a.m.

* Chairman of the Audit Committee could not attend the AGM.

During the Financial Year 2010-11, one Extra-Ordinary General Meeting was held on December 14, 2010, inter alia, to consider and approve increase in the Authorised Share capital of the Company and Issue of Bonus Shares.

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

Financial Year/Date	Subject
2009-10/25.09.2010	Payment of Commission to Shri Sanjiv Saraf, Chairman & Non-Executive Director.
2008-09/30.09.2009	Nil
2007-08/26.09.2008	Nil

iii. 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) During the year, there were no transactions of material nature with related parties that had potential conflict with the interest of the Company at large.

(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.

(c) 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) 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) 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-à-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.

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

(g) 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 28, 2011.

10. CEO/ CFO Certification

As required by the revised Clause 49 of the Listing Agreement, the Certificate from Shri Pranay Kothari, Executive Director was placed before the Board of Directors at their meeting held on May 30, 2011.

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 'Uttar Ujala' Nainital.

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

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 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 in respect of the Financial Year 2010-11.

Place : NOIDA
Date : August 8, 2011

Pranay Kothari
Executive Director

GENERAL SHAREHOLDERS INFORMATION

1.	**Annual General Meeting Date & Time :**	September 28, 2011 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, 2010 to March 31st, 2011.
3.	**Book Closure Date :**	September 24, 2011 to September 28, 2011 (both days inclusive)
4.	**Dividend Payment Date :**	On or after September 28, 2011

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, Bandra East,
Mumbai – 400 051

Listing Fees for the Financial Year 2011-12 has been paid to above Stock Exchanges.

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 Ltd.	**POLYPLEX**
Reuters Code	**PLYP.BO**
NSDL/ CDSL – ISIN	**INE633B01018**

7. **Stock Market Data**

Share prices on Stock Exchanges, Bombay Stock Exchange Limited and the National Stock Exchange of India Limited during Financial Year 2010-11 were as follows:

Months	Bombay Stock Exchange Limited			The National Stock Exchange of India Ltd.		
	High Price Rs.	Low Price Rs.	Volume Nos.	High Price Rs.	Low Price Rs.	Volume Nos.
April 2010	229.90	193.00	1,33,234	230.00	192.10	1,35,555
May 2010	227.00	200.00	68,247	226.00	202.00	59,153
June 2010	271.00	204.25	1,35,181	270.00	204.00	1,89,812
July 2010	325.05	261.30	5,25,942	324.30	263.00	8,13,803
August 2010	525.00	328.00	23,37,535	524.55	328.00	29,96,528
September 2010	814.15	511.00	57,41,287	812.60	511.00	79,31,514
October 2010	984.40	787.00	34,35,525	984.40	785.20	53,47,889
November 2010	**1019.95**	588.10	26,96,497	**1039.80**	584.85	52,57,591
December 2010	764.00	333.20	17,83,823	762.00	333.25	31,39,495
January 2011	367.00	265.00	13,91,862	368.00	263.15	28,50,859
February 2011	298.00	**183.00**	15,00,535	304.90	**182.00**	32,49,990
March 2011	242.80	189.00	19,83,152	241.85	189.05	38,66,961
Total			**2,17,32,820**			**3,58,39,150**

Source: www.bseindia.com and www.nseindia.com
Note : Share Prices ex-bonus w.e.f December 23, 2010.

8. **Registrars 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 of Senior Executives and given effect to within the period stipulated in the Listing Agreement.

10. **Distribution of shareholdings as on 31.03.2011**

Share holding in Number of Shares	Number of Shareholders	% of total Shareholders	Nominal Amount (in Rs.)	% of Total Nominal Amount
1 to 500	18,320	88.12	2,26,13,210	7.07
501 to 1000	1,205	5.80	94,56,110	2.95
1001 to 2000	581	2.79	92,11,410	2.88
2001 to 3000	192	0.92	49,15,240	1.54
3001 to 4000	137	0.66	50,11,760	1.57
4001 to 5000	62	0.30	29,04,320	0.91
5001 to 10000	131	0.63	96,98,860	3.03
10001 & above	162	0.78	25,60,35,090	80.05
Total	20,790	100.00	31,98,46,000	100.00

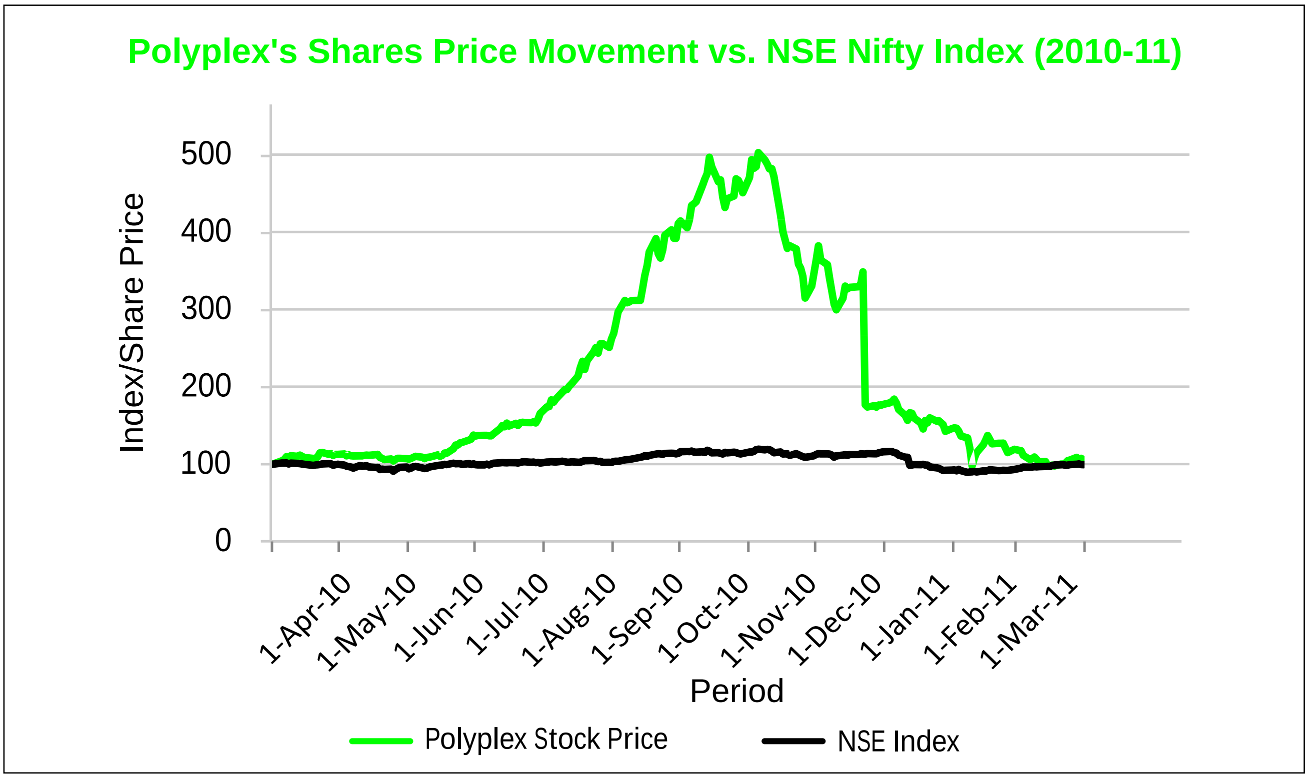
11. **Categories of shareholders as on 31.03.2011**

	Category	Shares held (Nos.)	Percentage holding
	Promoters		
a)	Indian Promoters	18,48,400	5.78
b)	Foreign Promoters	1,31,62,134	41.15
	Sub total	**1,50,10,534**	**46.93**
	Non-Promoters		
a)	Mutual Funds and UTI	12,91,931	4.04
b)	Banks, Financial Institutions and Insurance Companies	7,600	0.02
c)	Foreign Institutional Investors (FIIs)	11,65,116	3.65
d)	Bodies Corporate	39,69,511	12.41
e)	NRIs/OCBs	31,76,760	9.93
f)	Indian Public	73,63,148	23.02
	Sub total	**1,69,74,066**	**53.07**
	Grand Total	**3,19,84,600**	**100.00**

Note: Total Foreign shareholding as at March 31, 2011 was 1,75,04,010 shares constituting 54.73%

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

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



Note : Share Prices ex-bonus w.e.f December 23, 2010.

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, 2011

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,83,40,996	88.61	12,765
Central Depository Services (India) Limited	29,15,082	9.11	6,064
Total Dematerialised	***3,12,56,078***	***97.72***	***18,829***
Physical	7,28,522	2.28	1,961
Grand Total	**3,19,84,600**	**100.00**	**20,790**

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

14. **Plant Locations**

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

Lohia Head Road
Village Amau
Khatima 262 308
Distt. Udham Singh Nagar
Uttarakhand.

and

Plot No.227 MI 228 MI
Banna Khera Road
Village Vikrampur
Tehsil Bazpur – 262 401
Distt. Udham Singh Nagar
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) 250069
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

16. Your Company appreciates the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 allowing Companies to send Notices and other documents to its shareholders through electronic mode.

Accordingly Shareholders can now receive various Notices and other documents through electronic mode. Shareholders holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants and Members holding shares in physical form may get their email address registered with the Company. Further, the Notices and all other documents meant for Shareholders are posted at Company's website. www.polyplex.com.

In case a shareholder of the Company desires to receive aforesaid documents in physical form, he may write to the Company for the same.

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
POLYPLEX CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by Polyplex Corporation Limited, for the year ended 31st March, 2011, 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.

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 Exchanges have been complied with in all material respect by the Company read with Note No. 8(i) regarding attendance in AGM.

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

For **Lodha & Co.,**
Chartered Accountants
Firm Regn. No. 301051E

N.K. LODHA
Partner
M.No. 85155

Place : New Delhi
Dated : August 8, 2011

AUDITORS' REPORT

TO THE MEMBERS OF POLYPLEX CORPORATION LIMITED

We have audited the attached Balance Sheet of Polyplex Corporation Limited as at 31st March, 2011, 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. 13 (d) of Schedule 14A regarding capitalisation of loss/gain incurred on foreign exchange derivatives in relation to import of capital goods, the Balance Sheet, Profit & 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 2011 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

In our opinion and according to the explanations given to us, the said accounts read together with significant accounting policies, Notes thereon, 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, 2011;

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.

(f) 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 have been properly accounted.

   (c) As per the records, 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/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 is Rs.800 Lacs and the year end balance of such loan is Nil.

(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 interest of the Company.

(c) In respect of aforesaid loan, the receipt of principal amount and interest is regular.

(d) The recovery of principal amount and interest during the year is as per stipulations.

(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 the 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 No. 6 of Schedule 14A) 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 checks 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 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, 2011

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

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. The Company has not borrowed any sums through debentures.

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, 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.

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
		2008-09	1.28	Tribunal
		1996-97	18.40	High Court
		2006-07	63.08	Joint Commissioner (Appeals)
		2006-07	0.70	Joint Commissioner (Appeals)
		2004-05	35.80	Deputy Commissioner (Assessment)
		2010-11	7.00	Deputy Commissioner (Assessment)
		1997-98	120.96	Deputy Commissioner (Appeals)
		1998-99	63.97	Deputy Commissioner (Appeals)
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 preceding financial year.

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
Firm Regn. No. 301051E

N.K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Dated : May 30, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	SCHEDULE	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	3,256.32	1,657.09
Reserves & Surplus	2	28,570.05	16,237.08
LOAN FUNDS			
Secured Loans	3	42,127.51	44,808.95
Unsecured Loans	4	–	939.09
DEFERRED TAX LIABILITY (NET)		4,281.50	2,950.79
(Refer Note No 8 of Schedule 14)			
	TOTAL	78,235.38	66,593.00
II. APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		74,163.25	72,376.25
Less: Depreciation		16,219.63	14,409.81
Net Block		57,943.62	57,966.44
Capital work in progress (incl Capital Advances)		2,636.27	1,951.31
		60,579.89	59,917.75
INVESTMENTS	6	2,415.85	2,005.85
Foreign Currency Monetary Item Translation Difference Account (Refer Note No. 13 (c) of Schedule 14)		–	18.11
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		13,823.26	6,013.24
Sundry Debtors		7,656.19	2,203.39
Cash and Bank Balances		758.27	1,044.56
Loans and Advances		13,132.82	6,395.75
		35,370.54	15,656.94
LESS: CURRENT LIABILITIES & PROVISIONS	8		
Current Liabilities		9,037.66	6,386.27
Provisions		11,093.24	4,619.38
		20,130.90	11,005.65
NET CURRENT ASSETS		15,239.64	4,651.29
	TOTAL	78,235.38	66,593.00
Notes to Accounts and Significant Accounting Policies	14		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

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

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON MARCH 31, 2011

		SCHEDULE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I.	**INCOME**			
	Sales (Net of Excise of Rs.2,901.81 Lacs, Previous Year – Rs.1,450.28 Lacs)		**94,351.47**	24,155.22
	Other Income	**9**	**4,251.23**	7,869.94
	Stock Accretion / (Decretion)	**10**	**4,218.26**	1,250.13
		TOTAL	**1,02,820.96**	33,275.29
II.	**EXPENDITURE**			
	Manufacturing Expenses	**11**	**58,895.24**	19,198.13
	Operating and other Expenses	**12**	**12,083.87**	4,469.57
	Interest & Finance Charges	**13**	**3,500.49**	848.94
		TOTAL	**74,479.60**	24,516.64
	Profit before Depreciation		**28,341.36**	8,758.65
	Depreciation		**3,221.42**	1,036.69
	Profit after Depreciation		**25,119.94**	7,721.96
	Add : Exceptional Item - Exchange gain on redemption of Preference Shares (Refer Note No. 5 of Schedule 14)		**–**	4.03
	Profit after Exceptional Items		**25,119.94**	7,725.99
	Less: Provision For Tax			
	– Current Tax		**6,175.10**	1,206.57
	– MAT Credit Entitlement		**–**	(940.11)
	– Deferred Tax		**1,330.71**	1,423.64
			17,614.13	6,035.89
	Less : Prior Period Adjustment - Tax		**(39.11)**	38.25
	Profit after Tax		**17,653.24**	5,997.64
	Add : Surplus brought forward		**9,616.65**	5,720.88
	Balance Available for Appropriation		**27,269.89**	11,718.52
	Transferred to General Reserve		**1,780.00**	610.00
	Interim Dividend		**959.54**	–
	Corporate Dividend Tax - Interim Dividend		**159.37**	–
	Proposed Dividend		**2,238.92**	1,279.38
	Corporate Dividend Tax - Proposed Dividend		**363.21**	212.49
	Surplus carried to Balance Sheet		**21,768.85**	9,616.65
	Earning Per Share (in Rs.) (Refer Note No. 25 of Schedule 14)			
	— Basic		**55.19**	18.75
	— Diluted		**55.19**	18.67
	Notes to Accounts and Significant Accounting Policies	**14**		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

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

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

POLYPLEX

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2011

	2010-11 (Rs. in Lacs)		2009-10 (Rs. in Lacs)	
A. Cash Flow From Operating Activities :				
Net Profit before Tax		**25,119.94**		7,725.99
Adjustments For :				
Depreciation	**3,221.42**		1,036.69	
Prov. for Doubtful Debtors/Bad Debts Written Off	**23.33**		13.10	
Interest (Net)	**3,500.49**		848.94	
Exchange Loss on Redemption of Investments	**–**		(4.03)	
Foreign Currency Monetary Item Translation Difference	**18.11**		234.88	
Unrealised Foreign Exchange (Gain)/Loss	**(104.93)**		(476.17)	
Excess Provision/Sundry Balances Written Back (Net)	**(99.20)**		(209.78)	
Loss/(Profit) on Sale of Fixed Assets (Net)	**13.83**		7.60	
Asset Written Off	**190.11**		0.73	
Profit on Sale of Investments	**(65.17)**		(5.79)	
Dividend Received	**(3,537.72)**	**3,160.27**	(6,881.06)	(5,434.89)
Operating Profit before Working Capital Changes		**28,280.21**		2,291.10
Adjustments For :				
Trade and Other Receivables	**(6,886.37)**		(1,014.89)	
Inventories	**(7,822.97)**		(3,440.36)	
Trade Payables	**2,596.53**	**(12,112.81)**	2,280.64	(2,174.61)
Cash Generated From Operations		**16,167.40**		116.49
Taxes Paid		**(5,941.56)**		(1,184.57)
Cash Flow before Extraordinary Items		**10,225.84**		(1,068.08)
Net Cash From Operating Activities		**10,225.84**		(1,068.08)
B. Cash Flow From Investing Activities.				
Purchase of Fixed Assets (Incl Capital Advances)	**(2,990.49)**		(30,389.00)	
Sale of Fixed Assets	**85.36**		11.63	
Purchase of Short Term Investments	**(131,757.00)**		(7,320.00)	
Sale/Redemption of Long Term Investments	**–**		218.33	
Sale of Short Term Investments	**131,412.17**		7,325.79	
Interest/Dividend received	**3,642.21**		7,009.34	
Net Cash Used In Investing Activities		**392.25**		(23,143.91)

	2010-11 (Rs. in Lacs)		2009-10 (Rs. in Lacs)	
C. Cash Flow From Financing Activities				
Proceeds from Long Term Borrowings	**1,084.27**		27,844.90	
Repayment of Long Term Borrowings	**(10,918.22)**		(3,551.67)	
Net Proceeds From Short Term Borrowings	**5,139.58**		2,428.87	
Interest paid	**(3,616.53)**		(894.31)	
Dividends paid	**(2,221.62)**		(1,109.81)	
Tax on Distributed Profits	**(371.86)**		(190.25)	
Subsidy Received From State Government	**–**		30.00	
Net Cash Used in Financing Activities		**(10,904.38)**		24,557.73
Net Increase in Cash and Cash Equivalents		**(286.29)**		345.74
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)		**1,044.56**		698.82
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)		**758.27**		1,044.56

NOTES :

1. Cash and Cash equivalents represents Cash and Bank balances as per Schedule 7
2. Previous Year figures are regrouped wherever necessary.
3. Cash & Cash Equivalents includes fixed deposits pledged with banks as margin against Guarantees, Letters of Credit and Foreign Bill Purchase limit

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

SCHEDULE 1

SHARE CAPITAL

	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
AUTHORISED		
3,40,00,000 (Previous Year – 3,00,00,000) Equity Shares of Rs.10 each	**3,400.00**	3,000.00
ISSUED AND SUBSCRIBED		
3,31,80,300 (Previous Year – 1,71,88,000) Equity Shares of Rs.10 each	**3,318.03**	1,718.80
PAID-UP		
3,19,84,600 (Previous Year – 1,59,92,300) Equity Shares of Rs.10 each fully paid up	**3,198.46**	1,599.23
Add: Share Forfeiture Account	**57.86**	57.86
TOTAL	**3,256.32**	1,657.09

OUT OF ABOVE :

i) 13,50,000 Equity Shares have been issued and alloted during the year 2007-08 on preferential basis.

ii) 1,59,92,300 Equity Shares alloted as fully paid up bonus shares during the year by capitalization of Securities Premium Account.

SCHEDULE 2

RESERVES & SURPLUS

	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
CAPITAL RESERVE		
(i) Central Investments Subsidy		
Per last Balance Sheet	**25.00**	25.00
(ii) State Investments Subsidy		
Per last Balance Sheet	**30.00**	–
Addition during the year	**–**	30.00
(iii) Share Warrants Forfeited *		
Per last Balance Sheet	**250.80**	–
Addition during the year	**–**	250.80
	305.80	305.80
SECURITIES PREMIUM		
Per last Balance Sheet	**3,947.43**	3,947.43
Addition during the year	**–**	–
Bonus shares issued	**1,599.23**	–
	2,348.20	3,947.43
GENERAL RESERVE		
Per last Balance Sheet	**2,367.20**	1,757.20
Transferred from Profit & Loss Account	**1,780.00**	610.00
	4,147.20	2,367.20
Surplus as per Profit & Loss Account	**21,768.85**	9,616.65
TOTAL	**28,570.05**	16,237.08

* Addition on account of forfeiture of warrants read with Note No. 12 of Schedule 14

SCHEDULE 3

SECURED LOANS

	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Loans from Banks		
– Rupee Term Loans	**13,962.00**	21,454.19
– Foreign Currency Term Loans	**18,253.57**	19,418.27
– Working Capital Loans	**–**	600.00
– Buyer's Credit	**5,656.25**	2,058.47
– Cash Credit	**179.52**	129.80
– Export Packing Credit Foreign Currency Loans	**4,069.39**	1,128.23
– Vehicle Loan	**6.78**	19.99
TOTAL	**42,127.51**	44,808.95

(1) Foreign Currency (FC) Term Loan, including part of Buyer's Credit, of Rs.19,392.38 Lacs (Previous Year – Rs.19,418.27 Lacs) and Rupee Term Loan, including part of Buyer's credit, of Rs 9,834.88 Lacs (Previous Year – Rs.17,624.61 Lacs) are secured on a *pari passu* basis by equitable mortgage in respect of Company's immovable properties at Khatima and Bazpur, 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.6,000.00 Lacs (Prevoius Year – Rs.5,723.00 Lacs) availed from IDBI Bank Limited which is secured by exclusive charge by way of equitable mortgage of land and building at Noida .

(2) Vehicle Loan of Rs.6.78 Lacs (Previous Year – Rs.19.99 Lacs) from Banks are secured by hypothecation of Vehicles purchased therefrom.

(3) Working Capital Loans / Buyer's credit from Banks aggregating to Rs.6,893.47 Lacs (Previous Year – Rs.2,023.08 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 Bazpur.

SCHEDULE 4

UNSECURED LOANS

		As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Buyer's Credit		–	939.09
	TOTAL	–	939.09

SCHEDULE 5

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2010	Additions during the year	Sale/ adjust-ments	As at March 31, 2011	As at April 01, 2010	For the year	Sale/ adjust-ments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land	1,112.86	3.82	–	1,116.68	–	–	–	–	1,116.68	1,112.86
Leasehold Land	472.59	–	–	472.59	73.51	5.25	–	78.76	393.83	399.08
Buildings	9,994.85	642.76	3.08	10,634.53	990.41	273.13	1.35	1,262.19	9,372.34	9,004.44
Plant & Machinery	57,223.44	2,499.30	1,409.06	58,313.68	12,371.04	2,687.78	1,191.54	13,867.28	44,446.40	44,852.40
Electrical Installations	1,980.61	54.54	41.29	1,993.86	276.87	91.69	28.98	339.58	1,654.28	1,703.74
Furniture & Fixtures	427.51	55.45	60.51	422.45	222.80	28.81	39.47	212.14	210.31	204.71
Office Equipments	878.10	133.07	157.06	854.11	385.59	89.96	128.13	347.42	506.69	492.51
Vehicles	241.39	12.02	29.90	223.51	82.40	18.81	22.13	79.08	144.43	158.99
Intangible Assets – Software	44.90	86.94	–	131.84	7.19	25.99	–	33.18	98.66	37.71
Total	72,376.25	3,487.90	1,700.90	74,163.25	14,409.81	3,221.42	1,411.60	16,219.63	57,943.62	57,966.44
Previous Year	24,809.59	47,629.63	62.97	72,376.25	13,403.99	1,048.82	43.00	14,409.81	57,966.44	–

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.1,200.02 Lacs (Previous Year – Rs.635.94 Lacs) on account of Foreign Exchange Fluctuation / Derivatives (Refer Note No. 13(c) & (d)).
3. Plant & Machinery (Gross Block) includes Rs.186.98 Lacs (Previous Year – Rs.186.98 Lacs) in respect of assets taken on finance lease.
4. Depreciation amounting to Rs. Nil (Previous Year – Rs.12.13 Lacs) transferred to Preoperative Expenses.
5. Specialized software under Intangible assets is amortised over useful life i.e. over the period of 5 years.

SCHEDULE 6

INVESTMENTS

	Face Value	As at March 31, 2011 Nos.	As at March 31, 2010 Nos.	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
A. Long Term Investments (At Cost less Provision)					
Other than Trade					
1. Unquoted - Shares					
(Fully Paid up unless otherwise stated)					
1.1 Equity / Ordinary Shares					
Investment in Other Companies					
Beehive Technologies 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
Investment in Subsidiary Companies					
Polyplex (Asia) Pte Ltd (common stock, no par value)		100,000	100,000	463.83	463.83
Polyplex (Americas) Inc. (Cost - USD 125000) (common stock, no par value)		25,000	25,000	44.54	44.54
2. Quoted - Shares					
(Fully Paid up unless otherwise stated)					
2.1 Equity / Ordinary Shares					
Investment in Subsidiary Companies					
Polyplex (Thailand) Public Company Limited*	Baht 1	132,000,000	132,000,000	1,487.60	1,487.60
B. Current Investments					
Other than Trade					
Unquoted - Other than Shares					
Mutual Funds					
Reliance Liquid Fund - Growth		2,777,176	–	410.00	–
Grand Total				2,415.85	2,005.85
Aggregate of Unquoted Investments					
– (At Cost Less Provision)				**928.25**	518.25
Aggregate of Quoted Investments					
– (At Book Value)				**1,487.60**	1,487.60
– (At Market Value)				**45,069.34**	12,997.88

Note:

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

SCHEDULE 6 (Contd.)

INVESTMENTS

	2010-11 No of Units	2009-10 No of Units
INVESTMENTS PURCHASED AND SOLD DURING THE YEAR		
– Mutual Funds		
DWS Ultra Short Term Fund - Inst Growth	–	32,390,708.76
SBI Magna Insta Cash Fund	2,342,052.00	736,706.14
Reliance Money Manager Fund	19,836.64	142,424.13
Reliance Liquid Fund Treasury Plan	–	2,024,969.20
Reliance Liquid Fund - Growth	895,445,878.72	10,436,740.91
Kotak Liquid Fund	–	6,543,458.10

SCHEDULE 7

CURRENT ASSETS, LOANS AND ADVANCES

		As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
A.	**CURRENT ASSETS**		
	Inventories		
	(as valued and certified by the Management)		
	(at lower of cost and net realisable value)		
	Stores & Spares	**919.27**	723.63
	Raw Materials	**6,424.23**	3,116.21
	(including stock in transit of Rs.1,196.37 Lacs, Previous Year – Rs.503.56 Lacs)		
	Stock in Process	**2,400.58**	899.59
	Finished Goods (including Scrap stock Rs.55.54 Lacs, Previous Year – Rs.30.62 Lacs)	**4,079.18**	1,273.81
	(including stock in transit Rs.1,977.29 Lacs, Previous Year – Rs.191.00 Lacs)		
	Sub Total	**13,823.26**	6,013.24
	Sundry Debtors (Unsecured)		
	Debts outstanding for a period exceeding six months		
	– Considered good	**59.63**	77.59
	– Considered doubtful	**14.71**	38.04
	Other Debts		
	– Considered good	**7,596.56**	2,125.80
		7,670.90	2,241.43
	Less: Provision for doubtful debts	**14.71**	38.04
	Sub Total	**7,656.19**	2,203.39
	Cash & Bank Balances		
	Cash on hand	**9.61**	9.08
	Cheques in hand	**66.59**	40.43
	Bank balance with scheduled banks		
	– Current Accounts	**480.44**	908.19
	– Dividend Account	**90.08**	72.78
	– Fixed Deposits*	**111.55**	14.08
	Sub Total	**758.27**	1,044.56
	TOTAL (A)	**22,237.72**	9,261.19
B.	**LOANS AND ADVANCES**		
	(Unsecured Considered Good)		
	Advances recoverable in cash or in kind or for value to be received	**2,088.10**	1,831.41
	Deposits with Government Authorities & Others	**631.94**	330.95
	Advance Tax	**8,611.85**	2,499.56
	Advance Fringe Benefit Tax	**173.12**	173.12
	MAT Credit Entitlement	**–**	940.11
	Balance with Customs & Excise	**1,627.81**	620.60
	Total (B)	**13,132.82**	6,395.75
	TOTAL (A+B)	**35,370.54**	15,656.94

* Includes Rs.111.55 Lacs (Previous Year – Rs.14.08 Lacs) pledged with banks as margin against Guarantees, Letters of Credit and Foreign Bill Purchase limit.

SCHEDULE 8

CURRENT LIABILITIES & PROVISIONS

	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
CURRENT LIABILITIES		
Sundry Creditors - Micro and Small Enterprises*	**–**	–
Sundry Creditors - Others	**3,419.24**	4,054.61
Advance from a customer (Subsidiary Company) (Refer Note No. 9 of Schedule 14)	**3,284.63**	856.70
Security deposits / Advances from tenants	**50.03**	92.20
Investor Education and Protection Fund shall be credited by the following amounts, when due :-		
– Unpaid Dividend	**90.08**	72.78
Other liabilities	**1,987.93**	1,106.16
Interest accrued but not due	**205.75**	203.82
Sub Total	**9,037.66**	6,386.27
PROVISIONS		
Provision for Wealth Tax	**4.15**	2.09
Provision for Tax	**8,258.46**	2,893.91
Provision for Fringe Benefit Tax	**174.47**	174.47
Proposed Dividend (including Corporate Dividend Tax)	**2,602.13**	1,491.87
Provision for Retirement Benefits	**54.03**	57.04
Sub Total	**11,093.24**	4,619.38
TOTAL	**20,130.90**	11,005.65

* To the extent of information available (Refer Note No. 6(a) of Schedule 14)

SCHEDULE 9

OTHER INCOME

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Rental Income (Tax Deducted at Source Rs.13.56 Lacs, Previous Year – Rs.40.08 Lacs)	**139.54**	238.16
Profit on Sale of Current Investments	**65.17**	5.79
Dividend Income (Tax Deducted at Source Rs.0.83 Lacs, Previous Year – Rs 1.62 Lacs)	**3,537.72**	6,881.06
Excess Provision Written Back	**75.87**	209.78
Provision for Doubtful Debts written back	**23.33**	-
Prior Period Income (Net)	**0.61**	2.60
Foreign Exchange Fluctuation (Net)	**317.77**	376.94
Miscellaneous Income	**91.22**	155.61
TOTAL	**4,251.23**	7,869.94

SCHEDULE 10

STOCK ACCRETION/(DECRETION)

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Closing Stocks		
– Finished Goods	**4,079.18**	1,273.81
– Stock in Process - Others	**667.54**	38.79
– Stock in Process - Chips	**1,733.04**	860.81
	6,479.76	2,173.41
Less: Stock at start of commercial production (Refer Note No. 7 of Schedule 14)	**–**	91.45
	6,479.76	2,081.96
Opening Stock		
– Finished Goods	**1,273.81**	307.00
– Stock in Process - Others	**38.79**	45.12
– Stock in Process - Chips	**860.81**	466.76
	2,173.41	818.88
Add : Increase / (Decrease) in Excise Duty on Stocks	**88.09**	12.95
TOTAL	**4,218.26**	1,250.13

SCHEDULE 11

MANUFACTURING EXPENSES

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Raw Materials Consumed (Refer Note No. 3 of Schedule 14)	**46,770.71**	14,821.66
Cost of Traded Goods	**907.78**	947.44
Job Work Charges	**9.65**	–
Stores & Spares Consumed	**1,163.27**	664.89
Packing Material Consumed	**1,950.48**	454.08
Power & Fuel	**7,961.07**	2,258.79
Repairs and Maintenance		
– Building	**35.01**	10.35
– Plant & Machinery	**97.27**	40.92
TOTAL	**58,895.24**	19,198.13

SCHEDULE 12

OPERATING AND OTHER EXPENSES

		CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
PERSONNEL EXPENSES			
Salaries, Wages, Bonus and Gratuity etc.		**4,206.84**	1,523.86
Contribution to Provident and other Funds		**162.12**	107.22
Staff Welfare Expenses		**331.29**	212.10
	Sub Total	**4,700.25**	1,843.18
ADMINISTRATIVE EXPENSES			
Rent (including Lease Rent Rs.14.95 Lacs, Previous Year – Rs.15.17 Lacs)		**85.43**	53.12
Electricity & Water Charges (Net)		**65.88**	80.62
Repairs & Maintenance (Net)		**166.41**	175.56
Rates and Taxes		**56.57**	15.37
Postage and Telephone		**142.54**	109.03
Printing and Stationery		**32.53**	21.70
Travelling and Conveyance		**419.19**	201.21
Vehicle Expenses		**378.05**	250.20
Insurance		**352.44**	157.90
Legal and Professional Fee		**608.77**	344.50
IT Maintenance		**110.01**	110.86
Miscellaneous Expenses		**329.27**	126.39
Director's Commission		**200.00**	–
Directors' Sitting Fee		**16.60**	17.00
	Sub Total	**2,963.69**	1,663.46
SELLING EXPENSES			
Advertisement		**6.54**	2.71
Sales Promotion		**73.71**	46.24
Freight		**3,813.77**	833.89
Commission on Sales		**291.09**	50.19
	Sub Total	**4,185.11**	933.03
OTHER EXPENSES			
Asset Written Off		**190.11**	0.73
Loss on Sale of Fixed Assets (Net of Profit of Rs.1.22 Lacs, Previous Year – Rs.1.43 Lacs)		**13.83**	7.60
Excise Duty (Net of Recovery)		**0.37**	1.19
Donation		**5.26**	4.83
Prior Period Expenses		**1.94**	2.45
Provision for Doubtful Debts		**–**	13.10
Bad Debts		**23.33**	–
	Sub Total	**234.83**	29.90
	TOTAL	**12,083.87**	4,469.57

SCHEDULE 13

INTEREST & FINANCE CHARGES

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
Interest on Term Loans	**2,753.01**	739.02
Interest on Working Capital Loans	**124.73**	83.64
	2,877.74	822.66
Less : Interest on Deposits (Tax Deducted at Source Rs.8.19 Lacs, Previous Year – Rs.11.16 Lacs)	**99.80**	92.18
Less : Interest on Others (Tax Deducted at Source Rs.2.16 Lacs, Previous Year – Rs.0.04 Lacs)	**18.17**	2.93
	2,759.77	727.55
Bank & Other Finance Charges	**740.71**	121.39
TOTAL	**3,500.49**	848.94

SCHEDULE 14

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.1,546.91 Lacs, Previous Year – Rs.670.01 Lacs) – Rs.7,525.97 Lacs. (Previous Year – Rs.3,069.40 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	352.07	283.9
Excise Duty & Customs Duty	22.95	22.95
Income Tax	73.54	73.54
Others	20.71	41.21

b) Bills discounted with banks – Rs.338.52 Lacs (Previous Year – Rs.19.36 Lacs).

c) (i) Custom duty saved amounting to Rs.4,613.85 Lacs (Previous Year – Rs.6,429.39 Lacs) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

(ii) Import duty saved amounting to Rs.Nil (Previous Year – Rs.97.68 Lacs) in respect of goods imported under Advance License against which export obligation is pending to be fulfilled.

d) Guarantees given to the banks and others - Rs.340.30 Lacs (Previous Year – Rs.17.50 Lacs), including Rs.2.25 Lacs (Previous Year – Rs.17.50 Lacs) on behalf of other bodies corporate.

3) Import duty benefit under Duty Entitlement Pass Book (DEPB) Scheme and profit/loss on sale of DEPB aggregating to Rs.1,189.55 Lacs (Previous Year – Rs.105.70 Lacs) are accounted for on accrual basis and have been credited to Raw Materials Consumed Account.

4) The expenditure of Rs.266.79 Lacs (Previous Year – Rs.213.90 Lacs) on Research & Development has been debited to the respective heads of account.

5) The Company's investment in the preference share capital of its subsidiary viz. Polyplex (Asia) Pte. Limited was redeemed during Financial Year 2009-10 as per terms of the agreement at the allotted price and there was an exchange gain of Rs.4.03 Lacs (net) which was shown as exceptional item during the year ended 31st March, 2010.

6) (a) 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	2010-11	2009-10
(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.	–	–

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

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, 2011	As at March 31, 2010
Pre-operative expenses brought forward	**49.20**	3,579.46
Raw Material Consumed	–	95.03
Stores & Spares Consumed	–	147.11
Power & Fuel	–	80.07
Salary & Wages	–	513.43
Contribution to Providend Fund	–	22.29
Staff Welfare Expenses	–	33.47
Consultancy Charges	**14.13**	137.36
Electricity & Water Charges	–	22.47
Rates & Taxes	–	23.19
Postage and Telephone Expenses	–	26.03
Insurance	**21.86**	12.44
Travelling Expenses	–	65.24
Vehicle Running Expenses	–	34.93
Recruitment Expenses	–	13.12
Depreciation	–	12.14
Bank and Other Finance Charges	**18.78**	160.08
Interest on Term Loan	**2.50**	1,530.55
Foreign Exchange Fluctuation (Refer Note No. 13 (c) & (d))	**(216.18)**	(2,061.31)
Miscellaneous & Other Expenses	**4.34**	272.57
Total	**(105.37)**	4,719.67
Less: Scrap Sales	–	44.12
Less: Stock of finished goods at commencement of commercial production	–	91.45
	(105.37)	4,584.10
Less : Allocated/Capitalised during the year	**49.20**	4,534.90
Balance pending allocation/capitalisation transfer to Balance Sheet	**(154.47)**	49.20

8) Deferred Tax Liability

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Deferred Tax Assets		
Transferred from General Reserve on account of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	–	26.36
Transferred to Profit and Loss Account on account of FCMITDA	–	(10.42)
Disallowances as per Income Tax Act	**22.30**	31.58
Deferred Tax Asset	**22.30**	47.52
Deferred Tax Liability		
Disallowance on account of FCMITDA for Current Year	–	(21.96)
Depreciation	**(4,303.80)**	(2,976.35)
Deferred Tax Liability	**(4,303.80)**	(2,998.31)
Deferred Tax Liability (Net)	**(4,281.50)**	(2,950.79)

9) Sundry Debtors, Sundry Creditors & Advances recoverable in cash or in kind or for value to be received include the following:

(Rs. in Lacs)

Particulars	Balance as at March 31, 2011	Maximum Outstanding during the Current Year	Balance as at March 31, 2010	Maximum Outstanding during the Previous Year
A) Subsidiaries/Step down subsidiaries				
Polyplex (Thailand) Public Company Ltd*	**–**	**7.34**	–	18.13
Polyplex Europa Polyester Film Sanayi Ticaret A.S.*	**–**	**45.91**	–	36.73
Polyplex Europa Polyester Film Sanayi Ticaret A.S.**	**(661.27)**	**823.87**	–	–
Polyplex (Americas) Inc.*	**–**	**–**	–	9.52
Polyplex (Americas) Inc.**	**(2,623.37)**	**(6,878.95)**	(856.70)	107.71
B) Others				
Interest free advance to Employees*	**85.04**	**108.58**	57.11	67.78

* Loans & Advances

** Advance from Subsidiaries

10) Advances recoverable in cash or in kind under Loans & Advances (Schedule 9) include Rs. Nil (Previous Year – Rs.0.25 Lacs) due from an Officer /Director. Maximum amount due during the year Rs.0.25 Lacs (Previous Year – Rs.0.40 Lacs).

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

(Rs. in Lacs)

Particulars	2010-11	2009-10
Total lease payment during the year *(Recognised in Profit and Loss Account)*	16.54	15.75
Minimum Lease Payments		
Not later than one year	17.37	16.54
Later than one year but not later than five years	40.73	58.10
Later than five years	NIL	NIL

12) The allottee / holder of 16,50,000 Nos. Warrants issued by the Company on preferential basis on October 31, 2007, entitling them to exercise option to apply for equal number of equity shares at a price of Rs.152/- per share (including premium of Rs.142/-, 10% upfront amount paid in earlier year amounting to Rs.250.80 Lacs) did not exercise the option before the last date (as stipulated) i.e. April 30, 2009 and accordingly amount paid on stated warrants has been forfeited during year ended 31st March 2010.

13) (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 (Rs. in Lacs)	Amount in Document Currency	Amount (Rs. in Lacs)
Loans - Long Term	USD	–	–	915,000	413.12
	EURO	19,891,649	12,581.47	19,291,386	11,684.79
	JPY	10,50,000,000	5,672.10	1,050,000,000	5,414.85
Loans - Short Term	USD	13,423,450	5,995.00	661,378	298.61
	EURO	1,564,000	989.00	–	–
Debtors	USD	–	–	2,065,906	932.45
	EURO	3,305,319	1,983.00	31,522	19.08
Sundry Creditors	USD	234,662	106.57	3,869,237	1,760.00
	EURO	224,234	137.45	381,149	234.41
	GBP	2,240	1.67	226	0.23
	JPY	–	–	267,872	1.33
Other liabilities	USD	207,759	92.79	33,276	18.79
	EURO	2,850	1.80	–	–

(b) The Foreign Currency Exposure that are hedged by a derivative instrument or otherwise are as follows:

Particulars	Current Year		Previous Year	
	Currency	Amount in FX	Currency	Amount in FX
Forward Contracts	EURO	7,420,965	EURO	3,252,484
Forward Contracts	USD	32,950,635	USD	10,111,237
SWAP Deal	USD	10,000,000	USD	10,000,000

(c) In accordance with the notification No. G.S.R. 225(E) dated 31st March 2009, issued by the Central Government with regard to AS-11, the Company had exercised, the onetime 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”. Accordingly, the Company has carried over long term monetary exchange loss of Rs.Nil through “Foreign Currency Monetary Item Translation Difference Account” (Previous Year – Rs.18.11 Lacs), to be amortised over the balance period of such long term asset/liability but not beyond 31st March 2011. Further, the foreign exchange fluctuation loss of Rs.16.11 Lacs (Previous Year – gain of Rs.1,820.05 Lacs) taken in Pre operative expenditure on capital account has been taken to the cost of fixed assets.

(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, gain of Rs.233.92 Lacs (net) (Previous Year – gain of Rs.290.43 Lacs (net)) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss of Rs.1.63 Lacs (Previous Year – loss of Rs.49.18 Lacs (net)) on mark to market on outstanding derivatives as on 31st March 2011 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the fixed assets.

14) Payment to Auditors:

Particulars	Current year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Audit Fee *	10.09	7.72
Tax Audit fee *	1.00	1.00
Certification & Other fees *	9.32	4.49
Out of pocket expenses	0.25	0.25
Total	20.66	13.46

* includes Service Tax

15) Particulars in respect of:

a) Licensed & Installed Capacity -

(Qty in MT)

Particulars	Current Year		Previous Year	
	Licensed	Installed	Licensed	Installed
Plastic Film	N.A.	88,900	N.A.	88,900
Polyester Chips	N.A.	77,600	N.A.	77,600

b) Production *

(Qty in MT)

Particulars	Current Year	Previous Year
Plastic Film		
– Net Production **	65,880 ***	24,238
– Packed Production ****	65,331	25,446
Polyester Chips		
– Polyester Chips *****	53,791	18,691

* As certified by management.

** Includes 11,661 MT (Previous Year – 1,453 MT) of production on Job work basis.

*** Captive consumption 3,937 MT (Previous Year – 2,474 MT).

**** Includes 124 MT (Previous Year – 398 MT) purchased & reprocessed, excludes NIl (Previous Year – 524 MT) of purchased film.

***** Captive consumption of 32,615 MT(Previous Year – 15,691 MT) inclusive 3,924 MT (Previous Year – 72 MT) on Job work.

16) Stock & Sales:

Particulars	Current Year		Previous Year	
	Qty. (MT)	Value (Rs. in Lacs)	Qty. (MT)	Value (Rs. in Lacs)
(a) Opening Stock				
– Plastic Film	1,360	1,273.81	334	287.35
(b) Closing Stock				
– Plastic Film *	5,142 **	4,079.18	1,360	1,273.81
(c) Sales ***				
– Plastic Film	62,222 ****	88,117.20	24,134	22,245.90
– Others	–	6,234.27	–	1,909.32
Total Sales		94,351.47		24,155.22

* Includes 77 MT (Previous Year – 48 MT) material purchased and reprocessed.

** Includes 1700 MT (Previous Year – 178 MT) material in transit.

*** Includes sale of by-product, scrap, samples, shortages & claims and reprocessed Film Nil (Previous Year – 381 MT).

**** Includes 3,911 MT (Previous Year – 2,589 MT) of sales/Jobwork transferred.

17) 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)	11	6.81	5,409	2,976.15
PTA	46,053	22,670.38	15,732	6,939.80
MEG	18,262	8,221.54	6,203	2,437.52
Polypropylene Resins	18,675	12,544.67	1,928	1,503.07
Plastic Film (Bought Out)	54	66.74	381	387.62
Others**	–	3,260.59	–	577.51
Total		46,770.72		14,821.67

* Net of export incentive (Read with Note No. 3 of Schedule 14).

** Inclusive of consumption of inputs transferred from one unit to another.

18) 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	7,153.75	15.30	4,014.25	27.08
– Indigenous	39,616.98	84.70	10,807.41	72.92
Total	46,770.73	100.00	14,821.66	100.00
Stores & Spares##				
– Imported	568.12	48.84	143.26	21.55
– Indigenous	595.15	51.16	521.63	78.45
Total	1,163.27	100.00	664.89	100.00

\# Net of export incentives etc. (Read with Note No. 3 of Schedule 14).

\#\# Net of pre-operative expenses (Read with Note No. 7 of Schedule 14).

19) Expenditure in Foreign Currency:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Consultation Fees	181.72	176.66
Interest	609.16	660.70
Finance Charges	224.26	86.56
Brokerage & Commission	254.74	11.33
Others	209.33	108.47
Total	1,479.21	1,043.72

20) Earnings in Foreign Currency:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
FOB Value of Exports *(Including Deemed Exports Rs.628.90 Lacs, Previous Year – Rs.845.88 Lacs)*	37,694.65	5,614.40
Dividend (Gross) from Subsidiary Companies	3,537.72	6,880.92
Total	41,232.37	12,495.32

21) Dividend remitted in Foreign Currency:

Particulars	2010-11	2009-10
Final Dividend	w.r.t F.Y. 2009-10	w.r.t F.Y. 2008-09
Amount of dividend (Rs. in Lacs)	526.33	460.53
Interim Dividend	w.r.t F.Y. 2010-11	w.r.t F.Y. 2009-10
Amount of dividend (Rs. in Lacs)	394.74	–
Number of non-resident shareholders	2	2
Number of shares held by these non-residents	65,79,067	65,79,067

22) CIF Value of imports:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	9,727.23	5,618.68
Stores & Spares, Chemicals & Packing Material	1,523.97	223.38
Finished Goods	–	850.91
Capital Goods	63.67	30,640.94
Total	11,314.87	37,333.91

23) Particulars of Remuneration to Executive/Whole Time Directors:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary	558.78	182.93
Contribution to Provident & Other Funds	9.90	8.60
Perquisites & other benefits*	4.72	2.93
Total	573.40	194.46

* Exclusive of provision for gratuity & leave encashment, where the actuarial valuation is done on overall company basis.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and calculation of Commission:

Particulars	Amount (Rs. in Lacs)
Profit before Tax	25,119.94
Add:	
– Managerial Remuneration	573.40
– Commission to Chairman - Non Executive Director	200.00
– Directors Sitting Fees	16.60
– Loss on Sale of fixed Assets	15.05
– Assets Written Off	190.11
Less:	
– Profit on Sale of Current Investments	65.17
– Profit on Sale of fixed Assets	1.22
Net Profit for purpose of Managerial Remuneration u/s 349	26,048.70
10 % of above	2,604.87
1% of above	260.49
Commission to Chairman - Non Executive Director restricted to:	200.00

24) 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	120.94	95.39
Employer's Contribution to Superannuation Fund	41.18	34.12

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 :				
	Defined Benefit obligation at beginning of the year	243.83	184.62	57.04	38.52
	Current Service Cost	29.28	19.66	18.87	11.19
	Interest Cost	19.51	14.76	4.56	2.89
	Actuarial (gain)/loss	(34.33)	27.91	(4.33)	4.42
	Benefit paid	(4.39)	(3.13)	(22.10)	–
	Defined Benefit obligation at year end	253.90	243.83	54.04	57.04
b)	Reconciliation of opening and closing balances of fair value of plan assets :				
	Fair value of plan assets at beginning of the year	290.52	145.67	–	–
	Expected return on plan assets	28.98	20.20	–	–
	Actuarial (gain)/loss	2.26	–	–	–
	Employer contribution	49.88	127.77	–	–
	Benefit paid	(4.38)	(3.13)	–	–
	Fair value of plan assets at year end	362.72	290.52	–	–
c)	Reconciliation of fair value of assets and obligations :				
	Fair value of plan assets as at year end	362.72	290.52	–	–
	Present value of obligation as at year end	253.91	243.83	54.04	57.04
	Net Assets/(Liability)	108.81	46.69	(54.04)	(57.04)
d)	Expenses recognized during the year :				
	Current Service Cost	29.28	19.66	18.87	11.19
	Interest Cost	19.51	14.76	4.56	2.89
	Expected return on plan assets	(28.98)	(20.20)	–	–
	Actuarial (gain)/loss	(32.07)	27.90	(4.33)	4.42
	Expense recognised in P & L Account	(12.26)	42.13	19.10	18.50
e)	Investment Details :				
	LIC Group Gratuity (Cash Accumulation) Policy	100%	100%	–	–
f)	Actuarial assumption				
	Mortality Table (L.I.C.)	1994 – 96	1994 – 96	1994 – 96	1994 – 96
		Ultimate	Ultimate	Ultimate	Ultimate
	Discount rate (per annum)	8.00%	8.00%	8.00%	7.50%
	Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	5.00%

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.

25) Earnings Per Share (EPS)

Particulars	Current Year	Previous Year
Net Profit for the year (Rs. in Lacs)	17,653.24	5,997.64
Weighted Avg. Number of Equity Shares used as denominator for calculating Basic EPS (Nos)	31,984,600	31,984,600
Weighted Avg. Number of Equity Shares used as denominator for calculating Diluted EPS (Nos)	31,984,600	32,122,100
Basic EPS (Rs.)	55.19	18.75
Diluted EPS (Rs.)	55.19	18.87

Note: The Company has issued and allotted 15,992,300 equity shares on December 28, 2010 as Bonus Shares. Consequently the comparitive EPS figures have been recalculated giving effect of the Bonus Shares.

26) Segment Reporting:

i) The Company is in only one line of business namely Plastic 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 *(Excluding Dividend)*	56,397.49 *(19,363.84)*	38,602.32 *(5,774.47)*	94,999.81 *(25,138.31)*
2. Carrying Amount of Assets based on Location *(Excluding Investments)*	82,792.10 *(55,885.22)*	4,373.36 *(962.05)*	87,165.47 *(56,847.27)*
3. Capital Expenditure	4,172.86 *(28,845.43)*	– –	4,172.86 *(28,845.43)*

Note: Figures in bracket represent Previous Year figures.

27) 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)
- Polyplex Trading (Shenzhen) Co. Limited (PTSL)

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

Key Management Personnel (KMP):

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

Relative of Key Management Personnel:

- Smt. Ritu Kothari

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

- Beehive Systems Private Limited
- Manupatra Information Solutions Private Limited
- Altivolus Infotech Private Limited
- Dalhousie Villa Private Limited
- Bhilangana Hydro Power Limited

C. **Nature of Transactions with Related Parties:**

(Rs. in Lacs)

	Particulars	Subsidiaries of the Company	Key Management Personnel	Relative of KMP	Enterprises over which significant Influence exists	Total
1	Purchase of Material/Services	–	–	13.50	5.77	19.27
		(–)	(–)	(–)	(4.48)	(4.48)
2	Sale of Material/Services*	15,454.15	–	–	52.94	15,507.09
		(2,799.14)	(–)	(–)	(73.55)	(2,872.69)
3	Managerial Remuneration#	–	573.40	–	–	573.40
		(–)	(194.46)	(–)	(–)	(194.46)
4	Commission to Director#	–	200.00	–	–	200.00
		(–)	(–)	(–)	(–)	(–)
5	Director's Sitting Fee	–	4.40	–	–	4.40
		(–)	(6.00)	(–)	(–)	(6.00)
6	Advances given during the year	70.68	–	33.75	–	104.43
		(104.61)	(–)	(–)	(–)	(104.61)
7	Redemption of Shares	–	–	–	–	–
		(234.33)	(–)	(–)	(–)	(234.33)
8	Dividend Received	3,537.72	–	–	–	3,537.72
		(6,880.92)	(–)	(–)	(–)	(6,880.92)
	Outstanding at year end					
9	Receivables	–	–	27.00	–	27.00
		(–)	(–)	(–)	(0.70)	(0.70)
10	Payables	3,284.63	180.00	–	–	3,464.63
		(856.70)	(–)	(–)	(–)	(856.70)
11	Investment in Equity/ Preference Shares	1,995.97	–	–	9.48	2,005.45
		(1,995.97)	(–)	(–)	(9.48)	(2,005.45)

* Net of Sales return of Rs.1,902.32 Lacs (Previous Year – Nil)

\# For Managerial Remuneration refer Note No. 23

Notes: Figures in bracket ( ) indicate Previous Year figures.

D. Disclosure of Material Transactions with Related Parties:

(Rs. in Lacs)

Particulars	Subsidiaries of the Company	Relative of KMP	Enterprises over which significant Influence exists
1 Purchase of Material/Services			
– Dalhousie Villa Private Limited	– (–)	– (–)	5.77 (4.48)
– Smt. Ritu Kothari	– (–)	13.50 (–)	– (–)
2 Sale of Material/Services			
– Polyplex (Americas) Inc.	12,477.26 (2,799.14)	– (–)	– (–)
– Polyplex Europa Polyester Film Sanayi Ve Ticaret AS	2,976.89 (–)	– (–)	– (–)
– Beehive Systems Private Limited	– (–)	– (–)	36.00 (58.79)
– Manupatra Information Solutions Private Limited	– (–)	– (–)	9.06 (9.06)
3 Advances given during the Year			
– Polyplex (Thailand) Public Company Limited	16.75 (46.23)	– (–)	– (–)
– Polyplex Europa Polyester Film Sanayi Ve Ticaret AS	53.93 (53.22)	– (–)	– (–)
– Polyplex (Americas) Inc.	– (5.16)	– (–)	– (–)
– Smt. Ritu Kothari	– (–)	33.75 (–)	– (–)
4 Redemption of Shares			
– Polyplex (Asia) Pte. Limited	– (234.33)	– (–)	– (–)
5 Dividend Received			
– Polyplex (Thailand) Public Company Limited	1,497.94 (1,591.31)	– (–)	– (–)
– Polyplex (Asia) Pte. Limited	2,036.44 (5,283.14)	– (–)	– (–)

* *Net of Sales return of Rs.1,902.32 Lacs (Previous Year – Nil)*
Notes: Figures in bracket ( ) indicate Previous Year figures.

28) Debtors over six months include overdue overseas debtors aggregating to Rs.Nil (Previous Year – Rs.Nil) (net of provision of Rs.Nil (Previous Year – Rs.20.23 Lacs)) where Company has initiated legal or other necessary action for recovery.

29) (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, in some cases the Company has filed appeals with authorities, pending decisions no provisions has been considered necessary by the Management.

30) 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.

31) Current Year figures are not comparable with that of Previous Year due to startup of operations at Bazpur plant during Q4' 2009-10.

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

33) Figures in the Balance Sheet, Profit & Loss Account and Cash Flow Statement 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 Plastic film lines and Polyester resin plant (at Bazpur) 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 prevailing on the 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 or net realisable value.

(ii) Stock in process and Finished Goods – At lower of cost or 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.

Finished Goods include administrative over-heads and depreciation.

9. Retirement Benefits

Company's contribution to Provident Funds 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 are incidental 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 statement.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	**11596**	State Code	**20**
Balance Sheet Date	**31.03.2011**		

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

Public Issue	**Nil**	Rights Issue	**Nil**
Bonus Issue	**1,59,923**	Private Placement	**Nil**

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

Total Liabilities	**78,23,538**	Total Assets	**78,23,538**

Source of Funds

Paid up Capital	**3,25,632**	Reserves & Surplus	**28,57,005**
Secured Loans	**42,12,751**	Unsecured Loans	**–**
Deferred Tax Liability (net)	**4,28,150**	Equity Share Warrants	**Nil**

Application of Funds

Net Fixed Assets (Incl. CWIP)	**60,57,989**	Investments	**2,41,585**
Net Current Assets	**15,23,964**	Foreign Currency Monetary Item Difference Account	**–**

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

Turnover & Other Income	**98,60,270**	Total Expenditure	**73,48,276**
Profit Before Tax	**25,11,994**	Profit After Tax	**17,65,324**
Basic Earning Per Share (Rs.)	**55.19**	Dividend	**130%**
Diluted Earning Per Share (Rs.)	**55.19**		

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**
BOPP Film	**392020**

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

Signatures to Schedule 1 to 14

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

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 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

2) These financial statements are the responsibility of the 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 respect, in accordance with an identified financial reporing 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) a) 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.3,11,569.38 Lacs as at 31st March 2011 and total revenues of Rs.2,08,960.61 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 includes in respects of the subsidiaries, is based solely on the report of the other auditors.

b) We did not audit the financial statements of the foreign subsidiary Polyplex Trading (Shenzhen) Co. Ltd whose unaudited financial statements reflect total assest of Rs.359.33 Lacs as at 31st March 2011 and total revenues of Rs.593.70 Lacs for the year then ended. The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far it relates to amounts considered in the financial statements for the reason as stated above.

4) Attention is invited to Note No. 7(d) of Schedule 14 regarding capitalization of Foreign Currency derivative loss/gain 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 Mangement of the company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements and other applicable Accounting Statndards issued by The Institute of Chartered Accountants of India.

On the basis of the information and explanation 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 subsidaries as at 31st March 2011;

b) the Consolidated Profit and 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
Firm Regn. No. 301051E

N.K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Dated : May 30, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

		SCHEDULE	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
I.	**SOURCES OF FUNDS**			
	SHAREHOLDERS' FUNDS			
	Share Capital	1	**3,256.32**	1,657.09
	Reserves & Surplus	2	**1,57,371.03**	64,643.46
	MINORITY INTEREST		**58,781.74**	20,988.42
	(Inc. Preferred Stock of Rs.96.42 Lacs (Previous Year – Rs.90.86 Lacs))			
	LOAN FUNDS			
	Secured Loans	3	**72,833.06**	83,763.28
	Unsecured Loans	4	**–**	1,632.49
	DEFERRED TAX LIABILITY (NET)		**4,281.50**	2,950.79
	(Refer Note No. 6 of Schedule 14)			
		TOTAL	**2,96,523.65**	1,75,635.53
II.	**APPLICATION OF FUNDS**			
	FIXED ASSETS	5		
	Gross Block		**1,79,437.90**	1,69,684.69
	Less: Depreciation		**42,069.55**	34,056.22
	Net Block		**1,37,368.35**	1,35,628.47
	Capital work in progress (Incl. Capital Advances)		**12,543.73**	3,145.32
			1,49,912.08	1,38,773.79
	INVESTMENTS	6	**2,847.38**	9.88
	Foreign Currency Monetary Item Translation Difference Account		**–**	18.11
	Goodwill on Consolidation		**57.02**	53.73
	CURRENT ASSETS, LOANS AND ADVANCES	7		
	Inventories		**43,634.29**	21,633.71
	Sundry Debtors		**33,243.71**	17,552.39
	Cash and Bank Balances		**86,077.94**	12,930.03
	Loans and Advances		**17,113.05**	9,303.86
			1,80,068.99	61,419.99
	LESS: CURRENT LIABILITIES & PROVISIONS	8		
	Current Liabilities		**24,953.93**	19,936.69
	Provisions		**11,472.90**	4,779.94
			36,426.83	24,716.63
	NET CURRENT ASSETS		**1,43,642.16**	36,703.36
	MISCELLANEOUS EXPENDITURE		**65.01**	76.66
	(to the extent not written off)			
		TOTAL	**2,96,523.65**	1,75,635.53
	Notes to Accounts and Significant Accounting Policies	**14**		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

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

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

		SCHEDULE	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
I.	**INCOME**			
	Sales & Operational Income		**2,43,332.00**	1,21,800.80
	(Net of Excise of Rs.2,901.81 Lacs, Previous Year - Rs.1,450.28 Lacs)			
	Other Income	9	**1,835.67**	2,230.05
	Stock Accretion / (Decretion)	10	**13,710.33**	4,861.19
		TOTAL	**2,58,878.00**	1,28,892.04
II.	**EXPENDITURE**			
	Manufacturing Expenses	11	**1,38,310.09**	85,423.17
	Operating and other Expenses	12	**30,122.07**	19,369.07
	Interest & Finance Charges	13	**4,217.55**	2,483.28
		TOTAL	**1,72,649.71**	1,07,275.52
	Profit before Depreciation		**86,228.29**	21616.52
	Depreciation		**8,387.28**	5,987.65
	Profit after Depreciation/ Amortization		**77,841.01**	15,628.87
	Add : Exceptional Items			
	Gain on Sales of Shares in Subsidiary Company (Refer Note No. 9 of Schedule 14)		**63,687.01**	4.03
	Profit after Exceptional Items		**1,41,528.02**	15,632.90
	Less: Provision for Tax			
	– Current Tax		**6,582.79**	1,377.82
	– MAT Credit Entitlement		**–**	(940.11)
	– Deferred Tax		**1,330.71**	1,423.64
			1,33,614.52	13,771.55
	Less : Prior Period Adjustment - Tax		**(39.11)**	38.25
	Profit after Tax		**1,33,653.63**	13,733.30
	Less : Minority Interest		**28,096.69**	4,334.74
	Profit after Tax and Minority Interest		**1,05,556.94**	9,398.56
	Add : Surplus brought forward		**43,170.82**	35,874.13
	Balance Available for Appropriation		**1,48,727.76**	45,272.69
	Transferred to General Reserve		**1,780.00**	610.00
	Interim Dividend		**959.54**	–
	Corporate Dividend Tax – Interim Dividend		**159.37**	–
	Proposed Dividend		**2,238.92**	1,279.38
	Corporate Dividend Tax – Proposed Dividend		**363.21**	212.49
	Surplus carried to Balance Sheet		**1,43,226.72**	43,170.82
	Earning Per Share (in Rs.) (Refer Note No. 14 of Schedule 14)			
	— Basic		**330.03**	29.39
	— Diluted		**330.03**	29.26
	Notes to Accounts and Significant Accounting Policies	**14**		

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

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

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		2010-11 (Rs. in Lacs)		2009-10 (Rs. in Lacs)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax		**1,41,528.02**		15,632.90
	Adjusted for: -				
	Depreciation / Amortization	**8,448.51**		6,055.84	
	Provision for doubtful debts/ bad debts written off	**51.91**		54.32	
	Interest (net)	**4,217.55**		2,483.28	
	(Gain)/Loss on sale of investment in Subsidiary Company	**(63,687.01)**		(4.03)*	
	Unrealised foreign exchange (gain) / loss	**(24.25)**		(476.17)	
	Excess provision / sundry balances written back	**(75.87)**		(209.78)	
	Provision for Doubtful Debts written back	**(23.33)**		–	
	Inventory Write Off	**966.34**		2.35	
	Loss/(Gain) on sale of fixed assets (net)	**(4.41)**		(0.75)	
	Asset Written Off	**190.11**		0.73	
	Profit on sale of investments	**(65.17)**		(5.79)	
	Dividend received	**–**		(26.03)	
			(50,005.62)		7,873.96
	Operating Profit before Working Capital Changes		**91,522.40**		23,506.87
	Adjusted for: -				
	Trade and other receivables	**(19,237.14)**		(385.60)	
	Inventories	**(22,000.58)**		(5,682.18)	
	Trade payables	**4,883.37**	**(36,354.35)**	7,655.09	1,587.31
	Cash Generated from Operations		**55,168.05**		25,094.18
	Taxes paid		**(6,125.62)**		(420.21)
	Net Cash From Operating Activities		**49,042.43**		24,673.97
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	**(5,175.13)**		(54,782.95)	
	Capital Work in Progress including Advances	**(9,398.41)**		18,607.48	
	Sale of fixed assets	**1,358.31**		26.42	
	Purchase of short term investments	**(1,51,215.44)**		(34,879.59)	
	Redemption of long term investments	**63,687.01**		4.03	
	Sale of short term investments- MF	**1,51,280.62**		39,864.09	
	Increase in minority interest (net of dividend paid)	**9,696.63**		(3,157.40)	
	Interest/dividend received	**867.03**		300.47	
	Net Cash Used In Investing Activities		**61,100.62**		(34,017.46)

	2010-11 (Rs. in Lacs)		2009-10 (Rs. in Lacs)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	**5,849.99**		23,949.08	
Repayment of long term borrowings	**(22,380.50)**		(5,586.87)	
Net proceeds from short term borrowings	**5,311.65**		(2,023.49)	
Interest paid	**(5,070.08)**		(2,710.71)	
Govt Subsidy Received	**-**		30.00	
Dividends paid	**(1,952.52)**		(1,109.81)	
Tax on distributed profits	**(631.30)**		(190.25)	
Net Cash used In Financing Activities		**(18,872.75)**		12,357.96
D. CHANGE IN CURRENCY FLUCTUATION RESERVE				
ARISING ON CONSOLIDATION		**(18,122.39)**		580.89
Net Increase In Cash and Cash Equivalents		**73,147.92**		3,595.36
Cash and Cash Equivalents as at 01.04.2010 (Opening Balance)		**12,930.03**		9,334.67
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)		**86,077.94**		12,930.03

* Represents exchange (Gain)/Loss on account of redemption of Preference Shares in subsidiary.

NOTES :

1. Cash and cash equivalent represents cash and bank balances as per Schedule 7.
2. Previous Year figures are regrouped wherever necessary.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
Membership No. 85155

Sanjiv Saraf
Chairman

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Manish Gupta
Chief Financial Officer

Pranay Kothari
Executive Director

Place : New Delhi
Date : May 30, 2011

A.K. Gurnani
Company Secretary

Ranjit Singh
Whole-Time Director

Place : NOIDA

SCHEDULE 1

SHARE CAPITAL

	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
AUTHORISED		
3,40,00,000 (Previous Year – 3,00,00,000) Equity Shares of Rs.10 each	**3,400.00**	3,000.00
ISSUED & SUBSCRIBED		
3,31,80,300 (Previous Year – 1,71,88,000) Equity Shares of Rs.10 each	**3,318.03**	1,718.80
PAID-UP		
3,19,84,600 (Previous Year – 1,59,92,300) Equity Shares of Rs.10 each fully paid up	**3,198.46**	1,599.23
Add: Share Forfeiture Account	**57.86**	57.86
TOTAL	**3,256.32**	1,657.09

OUT OF ABOVE :

i) 13,50,000 Equity Shares have been issued and alloted during the year 2007-08 on preferential basis.

ii) 1,59,92,300 Equity Shares alloted as fully paid up bonus shares during the year by capitalization of Securities Premium Account.

POLYPLEX

SCHEDULE 2

RESERVES & SURPLUS

		As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
A.	**CAPITAL RESERVE**		
	(i) Central Investments subsidy		
	As per last Balance Sheet	**25.00**	25.00
	(ii) State Investments subsidy		
	As per last Balance Sheet	**30.00**	–
	Addition during the year	**–**	30.00
	(iii) Share Warrants Forfeited *		
	As per last Balance Sheet	**250.80**	–
	Addition during the year	**–**	250.80
	(iv) Others	**58.36**	58.36
		364.16	364.16
B.	**SHARE PREMIUM**		
	As per last Balance Sheet	**17,251.33**	17,644.57
	Additions during the year	**–**	–
	Less: Bonus Shares issued during the year	**1,599.23**	–
	Add: Updation on Translation Adjustment	**1,163.44**	(561.78)
	Less : Minority Interest	**4,181.12**	(168.54)
		12,634.42	17,251.33
C.	**LEGAL RESERVE#**		
	As per last Balance Sheet	**1,331.33**	1,370.68
	Addition during the year	**–**	–
	Updation on Translation Adjustment	**81.49**	(39.35)
		1,412.82	1,331.33
D.	**GENERAL RESERVE**		
	As per last Balance Sheet	**2,367.20**	1,757.20
	Additions during the year	**1,780.00**	610.00
		4,147.20	**2,367.20**
E.	**PROFIT & LOSS ACCOUNT**		
	As per last Balance Sheet	**43,170.82**	35,874.13
	Addition during the year	**1,28,152.59**	11,631.43
	Less : Minority Interest	**28,096.69**	4,334.74
		1,43,226.72	43,170.82
F.	**FOREIGN EXCHANGE TRANSLATION RESERVE (Including arised on Consolidation)**		
	As per last Balance Sheet	**158.62**	5,297.09
	Addition during the year	**(6,854.07)**	(4,636.76)
	Less : Minority Interest	**(2,281.16)**	501.71
		(4,414.29)	158.62
	TOTAL	**1,57,371.02**	64,643.46

* Addition on account of forfeiture of share warrants read with Note No. 10 of Schedule 14.

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, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Loans from Banks		
– Rupee Term Loans	**13,962.00**	21,454.19
– Foreign Currency Term Loans	**46,096.92**	58,341.17
– Buyer's Credit	**5,656.25**	2,058.47
– Working Capital Loans	**–**	600.00
– Foreign Currency Working Capital Demand Loans	**2,862.20**	31.43
– Cash Credit	**179.52**	129.80
– Export Packing Credit Foreign Currency Loans	**4,069.39**	1,128.23
– Vehicle Loan	**6.78**	19.99
TOTAL	**72,833.06**	83,763.28

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, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Foreign Currency Term Loan from Financial Institutions	**–**	693.40
Buyers' Credit	**–**	939.09
TOTAL	**–**	1,632.49

SCHEDULE 5

FIXED ASSETS

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 01, 2010	Additions during the year	Sale/ adjust-ments*	As at March 31, 2011	As at April 01, 2010	For the year	Sale/ adjust-ments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land	3,635.69	2,060.23	(181.03)	5,876.95	–	–	–	–	5,876.95	3,635.69
Leasehold Land	472.59	–	–	472.59	73.51	5.25	–	78.76	393.83	399.08
Buildings	24,121.67	728.84	(752.98)	25,603.49	2,413.25	756.84	(88.28)	3,258.37	22,345.12	21,708.42
Plant & Machinery	136,250.06	3,059.77	(2,903.31)	142,213.14	29,546.98	7,150.06	46.72	36,650.32	105,562.82	106,703.08
Electrical Installations	1,980.61	54.55	41.29	1,993.87	276.87	91.69	28.97	339.59	1,654.28	1,703.74
Furniture & Fixtures	1,191.86	149.81	52.33	1,289.34	565.94	109.00	44.38	630.56	658.78	625.92
Office Equipments	1,209.27	137.11	227.04	1,119.34	744.37	136.86	230.92	650.31	469.03	464.90
Vehicles	717.32	69.58	69.45	717.45	384.95	102.41	58.74	428.62	288.83	332.37
Intangible Assets	105.62	97.70	51.56	151.76	50.35	35.17	52.39	33.13	118.63	55.27
Total	169,684.69	6,357.59	(3,395.65)	179,437.93	34,056.22	8,387.28	373.84	42,069.66	137,368.27	135,628.47
Previous Year	120,498.91	56,282.03	7,096.25	169,684.69	29,267.57	5,999.78	1,211.13	34,056.22	135,628.47	91,231.34

Note:

* Sale/Adjustment includes adjustment of foreign exchange fluctuation loss of Rs.5,313.50 Lacs. (Previous Year Gain of Rs.6,960.36 Lacs) Depreciation for the year amounting to Nil (Previous Year – Rs.12.13 Lacs) transferred to Preoperative Expenses

SCHEDULE 6

INVESTMENTS

	Face Value	Nos. March 31, 2011	Nos. March 31, 2010	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
LONG TERM (At Cost Less Provision) **Other than Trade** **Unquoted - Shares** (Fully Paid up unless otherwise stated)					
EQUITY/ORDINARY SHARES					
Beehive Technologies 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
MUTUAL FUNDS					
Other Investments				**2,837.50**	–
				2,847.38	9.88
Less : Provision for diminution in value of Investments				**–**	–
	Total			**2,847.38**	9.88

SCHEDULE 7

CURRENT ASSETS, LOANS AND ADVANCES

		As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
A.	**CURRENT ASSETS**		
	INVENTORIES		
	– (as valued and certified by the Management)		
	– (at lower of cost and net realisable value)		
	Stores & Spares	**9,127.54**	2470.29
	Raw Materials	**10,972.39**	9427.49
	– (Including stock in transit Rs.1227.73 Lacs, Previous Year – Rs.1444.78 Lacs)		
	Stock in Process	**6,220.12**	2824.89
	Finished Goods (including Scrap stock Rs.55.54 Lacs, Previous Year – Rs.30.62 Lacs)	**17,314.24**	6911.04
	– (Including stock in transit Rs.5807.03 Lacs, Previous Year – Rs.1967.64 Lacs)		
	Sub Total	**43,634.29**	21,633.71
	SUNDRY DEBTORS (Unsecured)		
	Debtors outstanding for a period exceding six months		
	– Considered good	**59.65**	79.79
	– Considered doubtful	**32.95**	73.49
	Other Debtors		
	– Considered good	**33,184.06**	17472.60
		33,276.66	17,625.88
	Less: Provision for doubtful debtors	**32.95**	73.49
	Sub Total	**33,243.71**	17,552.39
	CASH & BANK BALANCES		
	Cash on hand	**101.40**	32.29
	Cheques in hand	**66.59**	40.43
	Bank balance with scheduled banks		
	– Current Accounts	**480.44**	908.19
	– Dividend Accounts	**90.08**	72.78
	– Fixed Deposits*	**79,365.73**	14.08
	Bank balance with non-scheduled banks		
	– Current Accounts	**5,973.70**	11862.26
	Sub Total	**86,077.94**	12,930.03
	TOTAL (A)	**1,62,955.94**	52,116.13
B.	**LOANS AND ADVANCES (Unsecured Considered Good)**		
	Advances recoverable in cash or in kind or for value to be received	**5,896.20**	4567.54
	Inter Corporate Deposits	**–**	–
	Deposits with Government Authorities & Others	**643.56**	337.88
	Advance Tax	**8,772.36**	2664.61
	MAT Credit Entitlement	**–**	940.11
	Advance Fringe Benefit Tax	**173.12**	173.12
	Balance with Customs & Excise	**1,627.81**	620.60
	TOTAL (B)	**17,113.05**	9303.86
	TOTAL (A+B)	**1,80,068.99**	61,419.99

* Includes Rs.111.55 Lacs (Previous Year – Rs. 14.08 Lacs) pledged with banks towards margin against Guarantees, Letters of Credit and Foreign Bill Purchase limit.

SCHEDULE 8

CURRENT LIABILITIES & PROVISIONS

		As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
A.	**CURRENT LIABILITIES**		
	Sundry Creditors – Micro and Small enterprises	**–**	–
	Sundry Creditors – Others	**20,554.31**	17143.01
	Security deposits / Advances from tenants	**50.03**	92.20
	Investor Education and Protection Fund shall be credited by the following amounts, when due :-		
	– Unpaid Dividend	**90.17**	72.86
	Other liabilities	**3,999.37**	2368.77
	Interest accrued & not due	**260.05**	259.85
	Sub Total	**24,953.93**	19,936.69
B.	**PROVISIONS**		
	Provision for Wealth Tax	**4.15**	2.09
	Provision for Tax	**8,638.12**	3054.47
	Provision for Fringe Benefit Tax	**174.47**	174.47
	Proposed Dividend (including Corporate Dividend Tax)	**2,602.13**	1491.87
	Provision for Retirement Benefits	**54.03**	57.04
	Sub Total	**11,472.90**	4,779.94
	TOTAL	**36,426.83**	24,716.63

SCHEDULE 9

OTHER INCOME

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Income from let out Property		
– Rent	**139.54**	238.16
Miscellaneous Income	**714.71**	415.69
Profit on Sale of Current Investments	**65.17**	5.79
Dividend Income	**–**	26.03
Excess Provision Written Back	**75.87**	209.78
Provision for Doubtful Debtors written back	**23.33**	–
Foreign Exchange Fluctuation (Net)	**773.95**	1328.83
Profit on Sales of Fixed Assets	**22.34**	0.75
Prior Period Income	**20.76**	5.02
TOTAL	**1,835.67**	2,230.05

SCHEDULE 10

STOCK ACCRETION/(DECRETION)

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
CLOSING STOCKS		
– Finished Goods	**17,314.24**	6911.04
– Stock in Process - Others	**3,670.14**	1352.82
– Stock in Process - Chips	**2,080.01**	1113.25
– Stock in Process - Thermal Lamination	**469.96**	358.82
	23,534.35	9,735.93
Less : Stock at the start of commercial production	**–**	91.45
	23,534.35	9,644.48
OPENING STOCKS		
– Finished Goods	**6,911.04**	1951.87
– Stock in Process - Others	**1,352.82**	2174.83
– Stock in Process - Chips	**1,113.25**	522.63
– Stock in Process - Thermal Lamination	**358.82**	121.01
	9,735.93	4,770.34
Add : Increase / (Decrease) in Excise Duty on Stocks	**88.09**	12.95
TOTAL	**13,710.33**	4,861.19

SCHEDULE 11

MANUFACTURING EXPENSES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Materials Consumed	**1,10,307.47**	67,158.20
Cost of Traded Goods	**907.78**	947.44
Job Work Charges	**9.65**	–
Inventory Write Off (Refer Note 11 of Schedule 14)	**966.34**	–
Stores & Spares Consumed	**3,390.91**	2,874.49
Packing Material Consumed	**6,809.19**	4,608.19
Power & Fuel	**14,757.60**	8,966.79
Repairs and Maintenance		
– Building	**79.33**	41.05
– Plant & Machinery	**1,081.82**	827.01
TOTAL	**1,38,310.09**	85,423.17

SCHEDULE 12

OPERATING AND OTHER EXPENSES

		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
A. PERSONNEL EXPENSES			
Salaries, Wages, Bonus and Gratuity etc.		**10,429.40**	6,444.09
Contribution to Provident and other Funds		**599.89**	476.15
Staff Welfare Expenses		**1,115.10**	939.70
	Sub Total	**12,144.39**	7,859.94
B. ADMINISTRATIVE EXPENSES			
Rent		**162.98**	134.86
Electricity & Water Charges (Net)		**87.89**	100.30
Repairs & Maintenance (Net)		**239.52**	236.82
Rates and Taxes		**97.55**	39.69
Postage and Telephone		**307.99**	281.31
Printing and Stationery		**84.56**	55.82
Travelling and Conveyance		**859.31**	552.73
Vehicle Expenses		**532.87**	384.86
Insurance		**995.00**	694.92
Legal and Professional Fee		**1,272.27**	1,063.78
Miscellaneous Expenses		**403.28**	183.41
IT Maintenance		**159.06**	154.81
Directors' Commission		**200.00**	–
Directors' Sitting Fee		**93.82**	89.56
	Sub Total	**5,496.10**	3,972.87
C. SELLING EXPENSES			
Advertisement		**7.74**	6.52
Sales Promotion		**168.97**	181.45
Freight		**9,510.16**	5,455.07
Sample to Customers		**67.79**	74.00
Commission on Sales		**2,111.60**	1,578.76
Other Selling Expenses		**255.48**	104.27
	Sub Total	**12,121.74**	7,400.07
D. OTHER EXPENSES			
Asset Written Off		**190.11**	0.73
Loss on Sale of Fixed Assets (Previous Year net of Profit – Rs. Nil Lacs)		**17.93**	–
Excise Duty (Net of Recovery)		**0.37**	1.19
Donation		**36.35**	6.96
Prior Period Expenses		**1.94**	2.45
Amortisation for Pre operative expenses		**61.23**	68.19
Provision for Doubtful Debtors		**–**	24.37
Sundry Balances Written Off (Net)		**–**	2.35
Bad Debts Written Off		**51.91**	29.95
	Sub Total	**359.84**	136.19
	TOTAL	**30,122.07**	19,369.07

SCHEDULE 13

INTEREST & FINANCE CHARGES

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Interest on Term Loans	**3,917.63**	2,179.96
Interest on Working Capital Loans	**164.36**	114.55
	4,081.99	2,294.51
Less : Interest on deposits (Tax Deducted at Source Rs.8.19 Lacs, Previous Year – Rs.11.16 Lacs)	**307.33**	249.86
Less : Interest on Others (Tax Deducted at Source Rs.2.16 Lacs, Previous Year – Rs.0.04 Lacs)	**561.65**	2.93
	3,213.01	2,041.72
Bank & Other Financial Charges	**1,004.54**	441.56
TOTAL	**4,217.55**	2,483.28

SCHEDULE–14
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

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 or controlled subsidiaries as on 31.03.2011, as given below:

Name of the Company	Country of Incorporation	% Share-holding & Voting Power
Polyplex (Asia) Pte. Limited (PAPL)	Singapore	100%
Polyplex (Thailand) Public Company Limited (PTL)	Thailand	51%*
Polyplex (Singapore) Pte. Ltd. (PSPL)	Singapore	100%**
Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. (PE)	Turkey	100%***
Polyplex (Americas) Inc. (PA)	U.S.A.	90.12% ****
Polyplex Trading (Shenzhen) Co. Limited (PTSL) #	China	100%*****

* 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.

***** 100% Subsidiary of PSPL

\# incorporated as wholly owned subsidiary of Polyplex (Singapore) Pte. Limited (PSPL) on 15th July, 2009.

(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 equipments are stated at cost less accumulated depreciation and allowance for loss on impairment assets (if any).

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight -line basis. Depreciation of other equipment is calculated on the sum of the year digits basis. The estimated useful lives of plant and equipment are as follows:

Building & Improvements	20, 50 Years
Machinery & Equipment	4-20 Years
Furniture, fixtures and office equipments	3-10 Years
Motor Vehicles	5-7 Years

Depreciation is included in determining income. No depreciation is provided on land, machinery in transit, and assets under installation and construction.

(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 1,202 at March 31, 2011) per year of employment at the rate of pay applicable at the date of retirement or termination.

In case of PA, the employees of the company are entitled to paid vacations, paid sick days and personal days off. The accrual cannot be reasonably estimated, and accordingly, no liability has been recorded in the accompanying financial statements. The company's policy is to recognize the cost of compensated absence when actually paid to employees.

(j) Foreign Currency Transaction

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.6,718.65 Lacs, Previous Year – Rs.1,622.44 Lacs) – Rs.24,950.70 Lacs (Previous Year – Rs.7,618.91 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	352.07	283.90
Excise Duty & Customs Duty	22.95	22.95
Income Tax	73.54	73.54
Others	20.71	41.21

(b) Bills discounted with banks Rs.338.52 Lacs (Previous Year – Rs.19.36).

(c) (i) Custom duty saved amounting to Rs.4,613.85 Lacs (Previous Year – Rs.6,429.39) in respect of import of machinery under Export Promotion Capital Goods (EPCG) Scheme against which export obligation is pending to be fulfilled.

(ii) Import duty saved amounting to Rs. Nil (Previous Year – Rs.97.68 Lacs) in respect of goods imported under advance license against which export obligation is pending to be fulfilled.

d) Counter Guarantees given to the banks Rs.20,351.60 Lacs (Previous Year – Rs.13,674.08 Lacs) including Rs.2.25 Lacs (Previous Year – Rs.17.50 Lacs) on behalf of other bodies corporate.

e) Service Agreements

Polyplex (Thailand) Public Company Limited As at 31st March, 2011, the company had commitments totalling Rs.89.95 Lacs (Previous Year – Rs.244.08 Lacs) under various service agreements. These agreements terminate between May, 2011 and January, 2013.

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, extrusion Coated films, cast polypropylene films and PET resins. As a promoted company, the company must comply with certain conditions and restrictions provided for in the promotional certificates.

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

6. Deferred Tax Liability

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Deferred Tax Assets		
Transferred from General Reserve on account of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	–	26.36
Transferred to Profit and Loss Account on account of FCMITDA	–	(10.42)
Disallowances as per Income Tax Act	22.30	31.58
Deferred Tax Asset	22.30	47.52
Deferred Tax Liability		
Disallowance on account of FCMITDA for Current Year	–	(21.96)
Depreciation	(4,303.80)	(2,976.35)
Deferred Tax Liability	(4,303.80)	(2,998.31)
Deferred Tax Liability (Net)	(4,281.50)	(2,950.79)

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 (Rs. in Lacs)	Amount in Document Currency	Amount (Rs. in Lacs)
Loans-Long Term	USD	–	–	915,000	413.12
	EURO	19,891,649	12,581.47	19,291,386	11,684.79
	JPY	1,050,000,000	5,672.10	1,050,000,000	5,414.85
Loans-Short Term	USD	13,423,450	5,995.00	661,378	298.61
	EURO	1,564,000	989.00	–	–
Debtors	USD	–	–	2,065,906	932.45
	EURO	3,305,319	1,983.00	31,522	19.08
Sundry Creditors	USD	234,662	106.57	3,869,237	1,760.00
	EURO	224,234	137.45	381,149	234.41
	GBP	2,240	1.67	226	0.23
	JPY	–	–	267,872	1.33
Other liabilities	USD	207,759	92.79	33,276	18.79
	EURO	2,850	1.80	–	–

(b) The Foreign Currency Exposure that are hedged by a derivative instrument or otherwise are as follows:

POLYPLEX CORPORATION LIMITED

Particulars	Currency	Current Year Amount (in Fx)	Previous Year Amount (in Fx)
Forward Contract	EURO	7,420,965	32,52,484
Forward Contract	USD	32,950,635	1,01,11,237
SWAP Deal	USD	10,000,000	1,00,00,000

POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED (INCLUDING SUBSIDIARIES)

Particulars	Currency	Current Year Amount (in Fx)	Previous Year Amount (in Fx)
Forward Contract	EURO	8,90,000	31,00,000
	Japanese Yen	7,03,30,000	4,30,60,000
	US Dollar	4,05,20,000	1,35,70,000
	Swiss Franc	27,00,000	80,00,000
	Turkish Lira	12,00,000	9,00,000

(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, Polyplex Corporation Limited had 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”. Accordingly, the Company has carried over long term monetary exchange loss of Rs Nil through “Foreign Currency Monetary Item Translation Difference Account” (Previous Year - Rs.18.11 Lacs), to be amortised over the balance period of such long term asset/liability but not beyond 31st March, 2011. Further, the foreign exchange fluctuation loss of Rs.16.11 Lacs (Previous Year gain of Rs.1,820.05 Lacs taken in Pre operative expenditure) on capital account has been taken to the cost of fixed assets.

(d) Polyplex Corporation Limited 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, gain (net) of Rs.233.92 Lacs (Previous Year gain of Rs.290.43 Lacs (net)) on foreign exchange derivatives taken for payments to suppliers of imported capital goods and loss of Rs.1.63 Lacs (Previous Year loss of Rs.49.18 Lacs (net)) on mark to market on outstanding derivatives as on 31st March, 2011 has been capitalized / shown as part of pre-operative expenses based on expert opinion, as the same is attributable to the fixed assets.

8. Payment to Auditors: Current Year Rs.125.62 Lacs (Previous Year - Rs.109.40 Lacs).

9. During the year ended 31st March, 2011, Polyplex (Asia) Pte. Ltd. (PAPL) has disposed off part of its interest in a former 53.5% subsidiary Polyplex (Thailand) Public Company Ltd. whilst retaining 34.5% shares therein. The Gain arising from the stake sale amounting to Rs.63,687 Lacs has been shown under exceptional item.

While the exceptional gain during the year ended 31st March, 2010, represents the exchange gain for Rs.4.03 Lacs (net) on redemption of Company's investment in preference share capital of its subsidiary Polyplex (Asia) Pte. Ltd.

10. The allottee /holder of 16,50,000 Nos. Warrants issued by the Company on preferential basis on October, 31, 2007, entitling them to exercise option to apply for equal number of equity shares at a price of Rs.152/- per share (including premium of Rs.142 /-, 10% upfront amount paid in earlier year amounting to Rs.250.80 Lacs) did not exercise the option before the last date (as stipulated) i.e. April 30, 2009 and accordingly amount paid on stated warrants have been forfeited during the year ended 31st March, 2010.

11. In Polyplex (Americas) Inc. (PA) during the three months ended 31st March, 2011, inventory produced and shipped during a particular time period was received in damaged condition. The inventory in warehouses, produced during that time period has been written down to its net realisable value. The amount charged to operations is for Rs.966.34 Lacs.

12. Operating Lease

POLYPLEX CORPORATION LIMITED

The Company has 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	Current Year	Previous Year
Total lease payment during the year (Recognised in Profit & Loss Account)	16.54	15.75
Minimum Lease Payments		
— Not later than one year	17.37	16.54
— Later than one year but not later than five years	40.73	58.10
— Later than five years	–	–

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, 2011 are as follows:

(Rs. in Lacs)

Payables within	Current Year	Previous Year
Not later than one year	14.77	34.48
Later than one year but not later than five years	9.47	19.29
Total	24.24	53.77

13. (A) Primary Segment :

Information about Business Segment:

a. The Company and its subsidiaries namely PTL, PE, PA & PTSL are in the same line of business namely Plastic 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	243,332.00 (121,800.80)	– –	243,332.00 (121,800.80)
	Total	243,332.00 (121,800.80)	– –	243,332.00 (121,800.80)
2.1	Other Income	1,659.13 (2,018.22)	68.27 (174.24)	1,727.40 (2,192.46)
2.2	Unallocated Corporate Income	– –	– –	108.27 (37.59)
	Total	– –		1,835.67 (2,230.05)
3	Total Revenue	– –	– –	245,167.67 (124,030.85)
B	RESULTS			
1	Segment Result (PBIT)	82,208.41 (17,963.76)	50.17 (150.16)	82,258.60 (18,113.92)
2	Unallocated Corporate Income/(Expenses) Net	– –	– –	18.07 (1.77)
3	Interest Expense	4,922.64 (2,480.78)	(704.98) (2.50)	4,217.66 (2,483.28)
4	Exceptional Items	– (–)	– (–)	63,687.01 (4.03)
5	Profit Before Tax	– (–)	– (–)	141,746.02 (15,632.90)
6	Provision for Current Tax	6,582.79 (1,377.82)	– –	6,582.79 (1,377.82)
7	MAT Credit	– (–940.11)	– (–)	– (–940.11)
8	Deferred Tax	1,330.71 (1,423.64)	– –	1,330.71 (1,423.64)
9	Prior Period Tax Adjustment	(39.11) (38.25)	– –	(39.11) (38.25)
10	Profit after Tax	– –	– –	133,653.63 (13,733.30)
C	OTHER INFORMATION			
1	Segment Assets	184,733.43 (195,287.11)	136,413.58 (2,068.94)	321,147.01 (197,356.05)
2	Unallocated Corporate Assets	– –	– –	11,914.89 (2,978.00)
3	Total Assets	– –	– –	333,061.90 (200,334.05)
4	Segment Liabilities	97,948.15 (105,386.49)	4.35 (3.01)	97,952.50 (105,389.50)
5	Unallocated Corporate Liabilities	– –	– –	8,816.73 (3,231.03)
6	Total Liabilities	– –	– –	106,769.24 (108,620.53)
7	Capital Expenditure	15,756.00 (37,674.55)	– –	15,756.00 (37,674.55)
8	Depreciation	8,387.28 (5,897.65)	– –	8,387.28 (5,897.65)

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	56397.49 (19363.84)	188661.91 (104629.42)	245059.40 (123993.26)
2	Carrying Amount of Segment Assets by location of assets	86021.62 (71969.97)	222604.13 (122435.82)	308625.75 (194375.79)
3	Capital Expenditure	4172.88 (28845.42)	11583.12 (8829.13)	15756.00 (37674.55)

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

14. Earnings Per Share (EPS)

	Current Year	Previous Year
Net Profit/Loss after Tax	105,556.95	9,398.57
Weighted Avg Number of Equity Shares considered as Denominator for calculation of Basic EPS	31984600	15992300
Weighted Avg Number of Equity Shares considered as Denominator for calculation of Diluted EPS	31984600	16129800
Basic EPS (in Rs.)	330.03	29.39
Diluted EPS (in Rs.)	330.03	29.26

15. Related Party Disclosures.

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

A. Related Parties with whom transactions have taken place during the year:

Key Management Personnel

– Shri Sanjiv Saraf (Chairman)

– Shri Pranay Kothari (Executive Director)

– Shri Ranjit Singh (Whole-Time Director)

Relative of Key Management Personnel

– Smt. Ritu Kothari

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

- – Beehive Systems Private Limited
- – Manupatra Information Solutions Private Limited
- – Altivolus Infotech Private Limited
- – Dalhousie Villa Private Limited
- – Bhilangana Hydro Power Limited

B. Nature of Transactions with Related Parties.

(Rs. in Lacs)

Particulars	Key Management Personnel	Relative of KMP	Enterprises over which significant Influence exists	Total
Purchase of Material/Services	– (–)	13.50 –	5.77 *(4.48)*	19.27 *(4.48)*
Sale of Material/Services	– (–)	– –	52.94 *(73.55)*	52.94 *(73.55)*
Managerial Remuneration	1283.35 *(884.98)*	– –	– (–)	1283.35 *(884.98)*
Director's Sitting Fees	4.40 *(6.00)*	– –	– (–)	4.40 *(6.00)*
Outstanding at Year End				
Receivables	– (–)	27.00 –	– *(0.70)*	27.00 *(0.70)*
Investment in Equity/ Preference Shares	– (–)	– –	9.48 *(9.48)*	9.48 *(9.48)*

C. Disclosure of Material Transactions with Related Parties

(Rs. in Lacs)

Particulars	Enterprises over which significant Influence exists	Relative of Kay Management Personnel
Purchase of material/services		
– Dalhousie Villa Private Limited	5.77 *(4.48)*	
– Smt. Ritu Kothari		13.50 *(–)*
Sale of Material & Services		
– Beehive System Private Limited	36.00 *(58.79)*	
– Manupatra Information Solutions Private Limited	9.06 *(9.06)*	

Figures in brackets represent figures of Previous Year.

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

17. Current Year figures are not comparable with Previous Year due to start up of operations at Bazpur plant during Q4'2009-10.

18. Figures in the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been expressed in Rs. Lacs with two decimals.

As per our report of even date attached
For **Lodha & Co.,**
Chartered Accountants
FRN : 301051E

N. K. Lodha
Partner
Membership No. 85155

Place : New Delhi
Date : May 30, 2011

Manish Gupta
Chief Financial Officer

A.K. Gurnani
Company Secretary

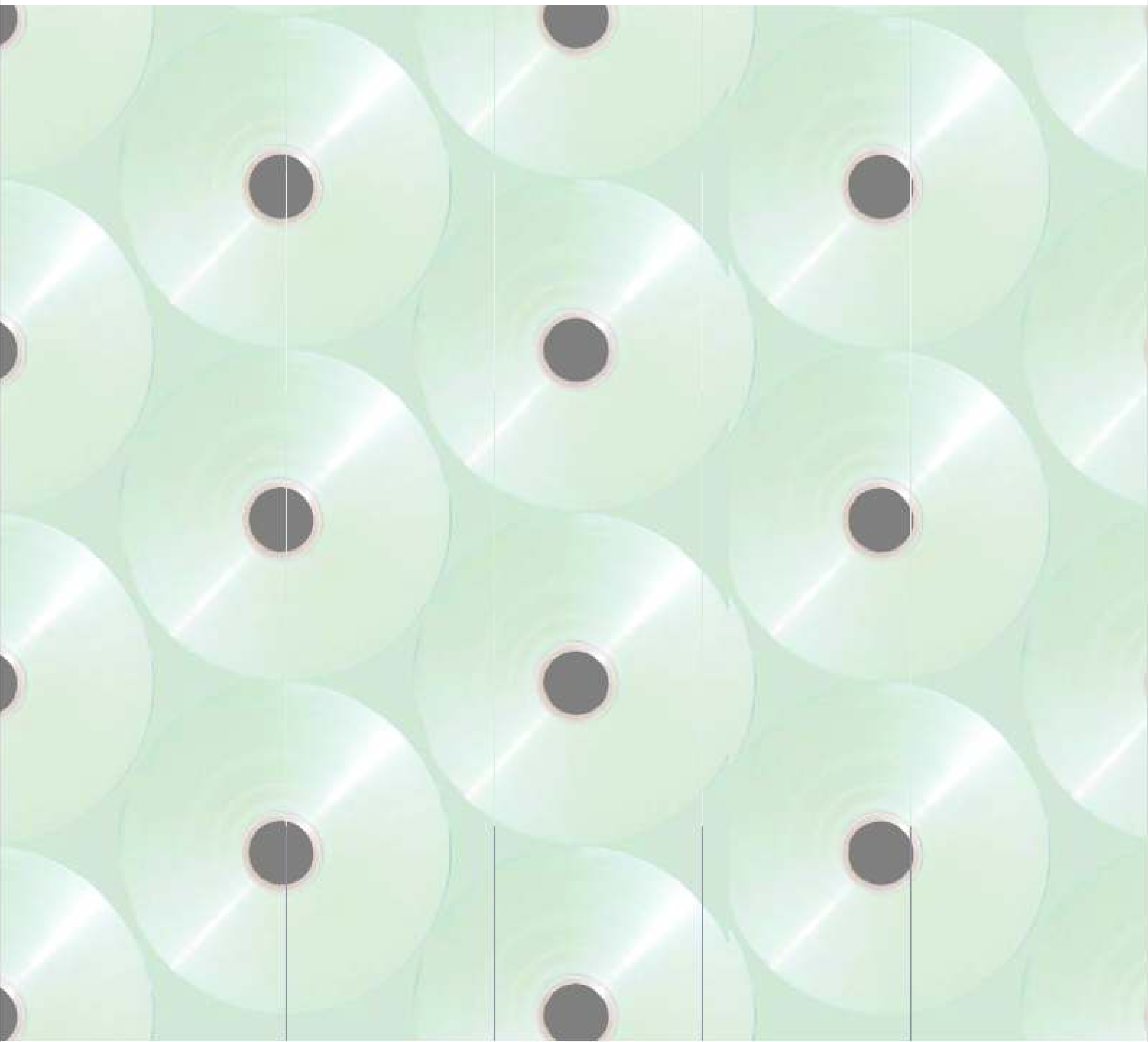
Sanjiv Saraf
Chairman

Pranay Kothari
Executive Director

Ranjit Singh
Whole-Time Director

Ravi Kumar
O.P. Mehra
B.K. Soni
Directors

Place : NOIDA



Polyplex Corporation Limited

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