

Report on Corporate Governance

Pursuant to the requirements specified in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} the details of Corporate Governance and processes including prescribed compliances by the Company are as follows:

1. Company's philosophy on Code of Governance

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

- Enhancement of Shareholder value.
- Protection of the interest of the public shareholders.
- Long-term financial health of the Company.
- Providing customers with quality products and services at competitive prices.
- Environment friendly production methods.
- Providing for fair wage and safe working conditions for employees and inviting inputs from employees in decision-making.
- Contribution to the socio-economic development of the local community.

2. Board of Directors

a) Composition:

The Board is well structured with an adequate blend of Executive and Non-Executive Directors. As on March 31, 2020, the Board consists of Eight Directors of which one is Executive Director and seven are Non-Executive Directors including one Woman Director. More than one half of the Board of Directors are Independent.

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

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

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

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

Dr. Suresh Inderchand Surana, Non-Executive Independent Director of the Company was appointed as an Independent Director w.e.f. July 10, 2019.

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

b) Board Meetings :

During the Financial Year 2019-20, Six Board Meetings were held on May 17, 2019, June 17, 2019, July 10, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. The maximum time gap between any two consecutive meetings was not more than 120 days.

Attendance of each director at the Board meetings, previous Annual General Meeting and number of other Boards or Board Committees in which he/she is a member or Chairperson across various Companies as on March 31, 2020 are given as follows:

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Directorships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
A. Non-Executive Directors							
A.1 Promoters Category							
Mr. Sanjiv Saraf DIN: 00003998	Promoter, Non-Independent	2 out of 6	No	5	Nil	Nil	Nil
Mr. Sanjiv Chadha DIN: 00356187	Promoter, Non-Independent	3 out of 6	No	Nil	Nil	Nil	Nil
A.2 Independent Directors							
Mr. Brij Kishore Soni DIN: 00183432	Independent	6 out of 6	No	Nil	Nil	Nil	Nil
Dr. Suresh Inderchand Surana**** DIN: 00009757	Independent	1 out of 3	No	Nil	Nil	Nil	Nil

Name of Director and DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM***	No. of Other Directorships*	Other Committee Memberships**		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
Mr. Jitender Balakrishnan DIN: 00028320	Independent	5 out of 6	No	9	6	2	India Glycols Limited (Independent, Non- Executive) Sarda Energy & Minerals Limited (Independent, Non- Executive) Bharti Infratel Limited (Independent, Non- Executive) CG Power and Industrial Solutions Limited (Independent, Non- Executive)
Ms. Pooja Haldea DIN: 07123158	Independent	5 out of 6	No	Nil	Nil	Nil	Nil
Mr. Ranjit Singh DIN: 01651357	Independent	5 out of 6	No	1	1	Nil	Shaily Engineering Plastics Limited (Independent, Non- Executive)
B. Executive Director							
Mr. Pranay Kothari DIN: 00004003	Non-Independent (Whole Time Director)	6 out of 6	No	3	1	Nil	Nil

*Only Indian Public Limited Companies are considered.

** For determining the Chairmanship/Membership of Committees only Audit Committee and Stakeholders' Relationship Committee have been considered (Excluding this Company).

*** Chairman of the Audit Committee & Stakeholders' Relationship Committee could not attend the AGM due to pre-occupation with other commitments.

**** Dr. Suresh Inderchand Surana (Independent Director) was appointed as Independent Director on the Board of the Company w.e.f. July 10, 2019.

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

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Global Business	Understanding of diverse business environment, global markets, economic conditions, cultures and regulatory framework.
Leadership Governance	Understanding of the organizations, processes, strategic planning and risk management. Commitment in developing good governance practices in the best Interest of all stakeholders, maintaining board and management accountability, high regard for corporate ethics and values.
Financial	Leadership and proficiency in finding solution to complex financial management, capital allocation, financial reporting etc.
Sales and Marketing	Expertise in developing strategies to develop new products, grow sales and market share.

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

S. No.	Name of Director	No. of shares held as on March 31, 2020
1	Mr. Sanjiv Saraf	3,25,138
2	Mr. Sanjiv Chadha	4,000
3	Dr. Suresh Inderchand Surana	200

d) Information placed before the Board includes :

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

e) Review of Compliance Report :

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

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

f) Code of Conduct :

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

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

3. Audit Committee

a) Composition:

The Company has a qualified and independent Audit Committee. The Audit Committee comprises of following Non-Executive Directors viz. Mr. Brij Kishore Soni, Ms. Pooja Haldea, and Mr. Jitender Balakrishnan. All the members of Audit Committee are Independent.

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

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

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

b) Meetings :

During the Financial Year 2019-20, Five meetings of Audit Committee were held on May 17, 2019, July 10, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. The maximum time gap between two consecutive meetings was not more than 120 days.

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

Name of Member	Meetings attended
Mr. Brij Kishore Soni	5 out of 5
Ms. Pooja Haldea	5 out of 5
Mr. Jitender Balakrishnan	5 out of 5

c) Powers and Role :

The Powers and Role of the Audit Committee, constituted by Board of Directors pursuant to Companies Act, 2013/ SEBI (LODR) Regulations, 2015(as amended), include the following:

i. Powers :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii. Role :

- 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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section (3) of Section 134 of the Companies Act, 2013.

- ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the Financial Statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to Financial Statements.
 - vi. Disclosure of any Related Party Transactions.
 - vii. Modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval.
- (f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (h) Approval or any subsequent modification of transactions of the Company with related parties.
- (i) Scrutiny of inter-corporate loans and investments.
- (j) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (k) Evaluation of internal financial controls and risk management systems.
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (n) Discussion with internal auditors of any significant findings and follow up there on.
- (o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (r) To review the functioning of the Whistle Blower mechanism.
- (s) Approval of appointment of Chief Financial Officer (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (u) Reviewing the utilization of loans and/ or advances from investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
- (v) Review compliance of the Insider Trading Prohibition code and verify that the systems for internal control are adequate and operating effectively

d) Review of information:

The Audit Committee mandatorily reviews the following information:

- i. Management Discussion and Analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management;
- iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal Audit Reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- vi. Statement of deviations:
 - a). Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.
 - b). Annual statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

4. Nomination and Remuneration Committee and Remuneration to Directors

a) Composition:

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

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

During the Financial Year 2019-20, Four meetings of the Nomination and Remuneration Committee were held on May 17, 2019, July 10, 2019, August 13, 2019 and November 14, 2019.

All the Members of the Nomination and Remuneration Committee attended the meeting.

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

Name of Member	Meetings attended
Mr. Jitender Balakrishnan	4 out of 4
Mr. Brij Kishore Soni	4 out of 4
Mr. Sanjiv Saraf	2 out of 4

b) Terms of reference:

The Role of the Nomination and Remuneration Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015 (as amended), include the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of performance of Independent Directors and the Board and whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board, policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management.

vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

viii. To devise a policy on Board diversity.

ix. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

x. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

xi. To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

i. Executive Director

Mr. Pranay Kothari:

Following remuneration has been paid to Mr. Pranay Kothari, Executive Director for the Financial Year 2019-20:

Salary, Allowances, PF & SA	₹ 3,91,43,520
Perquisites	₹ 2,35,501
Total#	₹ 3,93,79,021

Includes Performance Award of ₹ 150.00 Lacs for the Financial Year 2019-20, provided in the accounts which has since been approved for payment by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Tenure of appointment of Mr. Pranay Kothari is for three years commencing from September 7, 2018 and ending on September 6, 2021. Appointment of Mr. Pranay Kothari as Whole Time Director may be terminated by either party after giving to the other, six calendar months notice in writing or salary in lieu thereof. No payment on account of severance fees has been stipulated.

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

Executive Director is not liable to retire by rotation.

ii. Non-Executive Directors

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

The details of payment of Sitting Fee to Non-Executive Directors during the year 2019-20 are given below:

S. No.	Name of Non-Executive Directors	Sitting Fees (₹)
1.	Mr. Sanjiv Saraf*	2,50,000
2.	Mr. Brij Kishore Soni	10,00,000
3.	Mr. Sanjiv Chadha	1,50,000
4.	Dr. Suresh Inderchand Surana	50,000
5.	Mr. Jitender Balakrishnan	7,50,000
6.	Ms. Pooja Haldea	6,00,000
7.	Mr. Ranjit Singh	4,00,000

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

*In addition to payment of Sitting Fee, Mr. Sanjiv Saraf has been paid commission of ₹ 275.00 Lacs during the year 2019-20 out of provision made in the last year. Further, Board of Directors have approved payment of Commission of ₹ 310.00 Lacs for the Financial Year 2019-20 to Mr. Sanjiv Saraf, Chairman and Non Executive Director in terms of Special Resolution passed by the Members in the Annual General Meeting held on September 5, 2019.

Mr. Sanjiv Saraf held the position as Managing Director of Polyplex (Thailand) Public Company Limited, Thailand w.e.f. May 15, 2019 to May 21, 2020. He continues to be director and Vice-Chairman of Polyplex (Thailand) Public Company Limited, Thailand. During the financial year he has received remuneration of ₹ 73.11 Lacs.

Mr. Sanjiv Saraf has been appointed as Managing Director of Polyplex (Asia) Pte. Limited, Singapore, which will come into effect from the date of his joining on completion of statutory approvals etc.

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

5. Stakeholders' Relationship Committee

a) Composition:

The Board has constituted Stakeholders' Relationship Committee comprised of Mr. Brij Kishore Soni, Non-Executive Independent Director and Mr. Pranay Kothari, Executive Director and Ms. Pooja Haldea. Mr. Brij Kishore Soni is the Chairman of the Committee.

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

b) Role:

The Role of the Stakeholders' Relationship Committee, constituted by Board of Directors pursuant to Companies Act, 2013/SEBI (LODR) Regulations, 2015(as amended), include the following:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- (ii) Review of measures taken for effective exercise of voting rights by shareholders.

- (iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

c) Meetings:

This Committee meets as and when required. During the Financial Year 2019-20, One such meeting was held on February 13, 2020. The meeting was attended by all the directors.

d) Investor Grievance Redressal:

Complaints received from Investors/ shareholders are promptly attended to.

Status of complaints received, resolved and pending during the Financial Year 2019-20 is as follows:

Opening: 2 Received: 6 Resolved: 8 Pending: 0

As on March 31, 2020, no request for registration of transfer of shares/ dematerialization was pending.

e) Process of transfer of shares:

All complete and valid requests for transfer/transmission of shares are given effect by the Registrar and Transfer Agent viz: KFin Technologies Private Limited to within the time stipulated in the SEBI (LODR) Regulations, 2015.

6. Corporate Social Responsibility (CSR) Committee

a) Composition:

In terms of the requirement of Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR committee comprises of one Promoter Director and two Independent Directors, all of whom are Non-Executive Directors i.e. Mr. Sanjiv Saraf; Mr. Brij Kishore Soni and Mr. Ranjit Singh. Mr. Sanjiv Saraf is the Chairman of the CSR Committee.

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

b) Role:

The Role of the Corporate Social Responsibility Committee, constituted by Board of Directors pursuant to Companies Act, 2013 (as amended), include the following:

- I. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII.
- II. Recommend to the Board amount to be spent on various CSR activities in a year.

- III. Recommend to Board pursuing of CSR activities either by Company itself or indirectly through an NGO.
- IV. Monitor the CSR policy of the Company from time to time.
- V. To report to the Board and in aid disclosing in the Director's Report of the Board under Section 134 of the Act.

c) Meeting:

During the Financial Year 2019-20, two meetings of the CSR Committee were held on July 10, 2019 and February 13, 2020.

Name of Member	Meetings attended
Mr. Sanjiv Saraf	1 out of 2
Mr. Ranjit Singh	2 out of 2
Mr. Brij Kishore Soni	2 out of 2

7. Finance Committee

a) Composition:

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

Mr. Sanjiv Saraf is the Chairman of the Committee.

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

b) Meetings:

During the Financial Year 2019-20, one meeting of the Finance Committee was held on March 19, 2020. The Meeting was attended by Mr. Pranay Kothari and Mr. Brij Kishore Soni.

8. Risk Management Committee

(a) Composition:

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

(b) Role:

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

9. Independent Directors, their meetings and Familiarization Programme

During the Financial Year 2019-20, Five Independent Directors served on the Board i.e. Mr. Brij Kishore Soni,

Mr. Jitender Balakrishnan, Dr. Suresh Inderchand Surana, (w.e.f July 10, 2019) Ms. Pooja Haldea and Mr. Ranjit Singh.

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

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

As required by provisions of the Companies Act, 2013/ SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on July 10, 2019, without the presence of non-independent directors and members of the management. This meeting was chaired by Mr. Jitender Balakrishnan and attended by all the Independent Directors.

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

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

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

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

10. Subsidiary Monitoring Framework

All the subsidiary companies of the Company are Board managed. As a majority shareholder, the Board of Directors review and monitor the performance of its subsidiary companies by way of:

- a) Approving, 'in principal', their capital expenditure plans, business expansion plans, investment / disinvestment plans;

- b) Reviewing their operations vis a vis budgets, cash flows and Balance Sheets;
- c) Reviewing all significant/ material transactions and arrangements;
- d) Minutes/ materially important decisions.

party transactions. This policy is posted on the website of the Company at www.polyplex.com.

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

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

11. Related Party Transactions

The Company has formulated a policy on materiality of related party transactions and also on dealings with related

12. General Meetings:

(i) The details about the Annual General Meetings/ Extra Ordinary General Meeting are given below:

AGM/EGM	Financial Year	Date of Meeting	Location of the Meeting	Time
34th AGM	2018-19	05.09.2019	Registered Office at Khatima	11.00 a.m
EGM	2018-19	30.03.2019	Registered Office at Khatima	11.00 a.m
33rd AGM	2017-18	29.09.2018	Registered Office at Khatima	11.00 a.m
32nd AGM	2016-17	11.09.2017	Registered Office at Khatima	11.00 a.m.

(ii) Special Resolutions passed at the Annual General Meetings/ Extra Ordinary General Meeting:

Financial Year/ Date of Annual General Meeting/ Extra Ordinary General Meeting	Subject
September 5, 2019	<p>Annual General Meeting:</p> <p>Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for appointment of Dr. Suresh Inderchand Surana (DIN: 00009757) as an Additional Director of the Company with effect from July 10, 2019 as an Independent Non-Executive Director of the Company, for the second term of five consecutive years upto July 9, 2024.</p> <p>Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Ms. Pooja Haldea (DIN : 07123158), Independent Non Executive Director of the Company for second term of five consecutive years with effect from March 30, 2020 to March 29, 2025.</p> <p>Resolution pursuant to Section 197, 198 & 203 and Schedule V of the Companies Act, 2013 for restructure the remuneration payable to Mr. Pranay Kothari (DIN : 00004003), Whole Time Director of the Company designated as Executive Director (Key Managerial Personnel), for the period from April 1, 2019 to September 6, 2021.</p>
March 30, 2019	<p>Extra Ordinary General Meeting:</p> <p>Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Mr. Brij Kishore Soni (DIN : 00183432), Independent Non Executive Director of the Company for the second term of five consecutive years w.e.f. April 1, 2019 to March 31, 2024.</p> <p>Resolution pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 for reappointment of Mr. Jitender Balakrishnan (DIN: 00028320), Independent Non Executive Director of the Company for the second term of five consecutive years w.e.f. April 1, 2019 to March 31, 2024.</p>
September 29, 2018	<p>Annual General Meeting:</p> <p>Resolution pursuant to Section 197, 198 & 203 and Schedule V of the Companies Act, 2013 for re-appointment of Mr. Pranay Kothari (DIN : 00004003) as Whole Time Director designated as Executive Director and fixation of remuneration for a term of three years w.e.f. September 7, 2018</p>
2016-17/ September 11, 2017	No Special Resolution was required to be passed at the Annual General Meeting.

(iii) Two Special Resolutions are proposed to be passed at the ensuing Annual General Meeting relating to

- a) Reappointment of Mr. Ranjit Singh as Independent Non-Executive Director for second term of five consecutive year w.e.f. May 12, 2021; and
- b) Payment of commission upto 1% p.a. of the Net Profit of the Company to Mr. Sanjiv Saraf for the financial year 2020-21.

(iv) During the Financial Year 2019-20 no resolution was required to be passed by way of postal ballot.

Company has been providing to its Members e-voting facility in respect of agenda items placed before the Annual General Meetings/Extra-Ordinary General Meeting held since the provision of the requirement.

13. Certificate From Practising Company Secretary for disqualification of Director

A certificate has been received from RSM & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. Certificate annexed.

14. Other Disclosures Pursuant to Schedule V (c) (10) of SEBI LODR, 2015:

- (a) During the year, there were no transactions of material nature with the related parties that had potential conflict with the interest of the Company at large.
- (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 formulated Whistle Blower Policy and the same has been posted on website of the Company at www.polyplex.com. No employee of the Company has been denied access to the Audit Committee to make any representation.
- (d) Company has complied with the mandatory requirements of Regulation 17 of SEBI (LODR) Regulations, 2015.
- (e) The Company has established a comprehensive Enterprise Risk Management (ERM) Policy that includes risk identification, risk assessment, risk mitigation and monitoring on a periodic basis. External and internal risk factors that could potentially affect performance of the Company vis-a-vis stated objectives are identified and reported in the business review meetings periodically. These are subsequently reported to the Board.
- (f) Directors' Report has a detailed section on Management Discussion and Analysis covering inter-alia a separate section on Risk Management.

- (g) Company files quarterly compliance report on Corporate Governance with Stock Exchanges pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015 and copies thereof are placed before the next Board Meeting.
- (h) As required by Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of directors seeking appointment/ re-appointment are given in the Notice convening the ensuing Annual General Meeting.
- (i) Company has adopted discretionary requirements as specified in Para E to Schedule II to SEBI (LODR) Regulations, 2015 to the extent to maintenance of Chairperson's office, having separate posts of Chairperson and Chief Executive Officer, moving towards a regime of Financial Statements with unmodified opinion and reporting of Internal Auditor directly to Audit Committee.
- (j) Company has complied the Corporate Governance requirement specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 except Regulation 18(1)(d), 20(3) and 24(1).

15. Company's Website and its Policies with Weblinks:

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

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

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

16. Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries during the year 2019-20, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follow:

Type of Service	₹ in Lacs
Audit Fee	85.07
Tax Audit Fee	4.00
Certification & Other Fees	2.30
Out of Pocket Expenses	1.05
Total	92.42

17. Complaints pertaining to sexual harassment

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment are provided in the Directors' Report of this Annual Report.

18. CEO/ CFO Certification (Compliance Certificate)

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Compliance Certificate from Mr. Pranay Kothari, Executive Director and Mr. Manish Gupta, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 25, 2020.

19. Means of Communication

- Quarterly results/ returns and official news releases are furnished to Stock Exchanges and are also put on the Company's Website www.polyplex.com.
- The quarterly/ half yearly/ yearly results are generally published in the 'Business Standard' (English - all editions) and 'Uttar Ujala, Nainital' (Hindi), within the prescribed time limit.
- Management Discussion and Analysis forms part of the Annual Report, which is sent on email/through courier/ posted on the website of the Company.

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

I hereby confirm that:

The Company has obtained affirmations from all the members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management for the Financial Year 2019-20.

Date : July 20, 2020
 Place : New Delhi

Sd/-
Pranay Kothari
 Executive Director

General Shareholders Information

I. Annual General Meeting Date, Time and Venue :	August 31, 2020, 9.15 a.m. through VC/OAVM. Deemed venue of meeting shall be (Registered Office at : Lohia Head Road, Khatima – 262 308 Distt. Udham Singh Nagar, Uttarakhand)								
II. Financial Year:	April 1, 2019 to March 31, 2020								
III. Book Closure Date:	August 27, 2020 to August 31, 2020 (both days inclusive)								
IV. Dividend Payment Date:	Within 15 days from declaration by the shareholders in the Annual General Meeting.								
V. Listing on Stock Exchanges:	<p>Equity Shares of the Company are listed on following Stock Exchanges:</p> <p>BSE Limited, (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</p> <p>National Stock Exchange of India Limited, (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Mumbai – 400 051</p> <p>Listing Fees for the Financial Year 2019-20 and 2020-21 has been paid to both the Stock Exchanges.</p> <p>Annual Custody charges for the Financial Year 2019-20 and 2020-21 have been paid to National Securities Depository Limited and Central Depository Services (India) Limited, within the prescribed time.</p>								
VI. Scrip Code:	<p>The Company's equity shares have been allotted following scrip codes/ name:-</p> <table border="0" style="width: 100%;"> <tr> <td>BSE Limited (BSE)</td> <td style="text-align: right;">524051</td> </tr> <tr> <td>National Stock Exchange of India Limited (NSE)</td> <td style="text-align: right;">POLYPLEX</td> </tr> <tr> <td>Reuters Code</td> <td style="text-align: right;">PLYP.BO</td> </tr> <tr> <td>ISIN</td> <td style="text-align: right;">INE633B01018</td> </tr> </table>	BSE Limited (BSE)	524051	National Stock Exchange of India Limited (NSE)	POLYPLEX	Reuters Code	PLYP.BO	ISIN	INE633B01018
BSE Limited (BSE)	524051								
National Stock Exchange of India Limited (NSE)	POLYPLEX								
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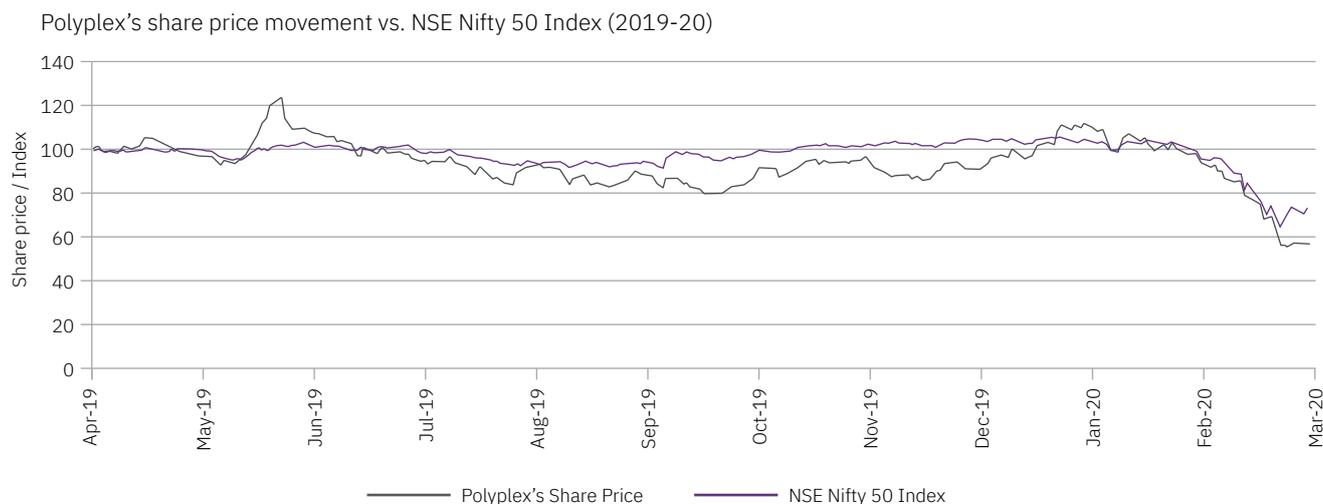
VII. Market Price Data:

Share prices on BSE and the NSE during 2019-20 were as follows:

Months	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (Nos.)	High Price (₹)	Low Price (₹)	Volume (Nos.)
Apr-19	565.55	505.05	1,15,340	564.95	510.45	9,16,656
May-19	655.00	485.00	2,21,256	657.30	480.10	17,22,644
Jun-19	583.55	503.00	84,707	584.00	502.25	6,97,173
Jul-19	526.70	438.35	83,642	527.55	437.70	8,80,671
Aug-19	509.00	434.75	67,577	494.45	435.25	11,50,413
Sep-19	484.00	429.55	84,107	486.70	428.00	11,09,466
Oct-19	497.95	416.00	74,627	497.30	416.00	9,81,703
Nov-19	584.00	457.5	49,054	514.90	457.10	9,12,261
Dec-19	522.20	450.00	64,931	522.80	450.50	9,69,335
Jan-20	606.90	494.15	88,868	607.00	492.10	13,10,076
Feb-20	573.90	493.00	81,781	574.00	491.50	16,94,740
Mar-20	509.90	282.5	1,66,154	510.35	288.00	16,52,397
Total			11,82,044	Total		76,98,589

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

VIII. Stock Performance of the Company in comparison to NSE Nifty 50 Index



IX. Registrars and Share Transfer Agents (RTA):

KFin Technologies Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad- 500032
Tel: +91-40-67162222
Toll Free No.: 1800-345-4001; Fax: +91-40-23001153
Website: www.kfintech.com

X. Share Transfer System:

All complete and valid requests for transfer/transmission of shares are given effect by the Registrar and Transfer Agent viz: KFin Technologies Private Limited to within the time stipulated in the SEBI (LODR) Regulations, 2015.

XI. Distribution of Shareholding:

a). Distribution of shareholdings as on March 31, 2020:

Shareholding in Number of Shares	No. of Shareholders	% of total shareholders	Nominal Amount (in ₹)	% of Total Nominal Amount
1 to 5000	21,032	90.9885	1,78,72,030	5.5877
5001 to 10000	960	4.1531	76,06,650	2.3782
10001 to 20000	495	2.1415	76,70,450	2.3982
20001 to 30000	164	0.7095	41,96,460	1.312
30001 to 40000	101	0.4369	36,02,700	1.1264
40001 to 50000	69	0.2985	31,74,470	0.9925
50001 to 100000	126	0.5451	90,12,320	2.8177
100001 and above	168	0.7268	26,67,10,920	83.3873
Total	23,115	100%	3,19,846,000	100%

b). Categories of shareholders as on March 31, 2020

Category	Shares held (Nos.)	Percentage
1. Promoters		
a) Indian Promoters	22,69,262	7.09
b) Foreign Promoters	1,37,32,272	42.93
Sub Total	1,60,01,534	50.03
2. Non- Promoters		
a) Mutual Funds	17,88,694	5.59
b) Alternate Investment Funds	3,50,000	1.09
c) Banks, Financial Institutions, and Insurance Companies	36,845	0.12
d) Foreign Institutional Investors (FIIs)	12,53,321	3.92

Category	Shares held (Nos.)	Percentage
e) Bodies Corporates, NBFC & Clearing Members	22,89,182	7.16
f) NRIs/OCBs	16,11,461	5.04
g) Directors and Relatives	4,584	0.01
h) Unclaimed Suspense a/c & IEPF	2,26,444	0.71
i) Indian Public (including HUF and Trust)	84,22,535	26.33
Sub-Total	1,59,83,066	49.97
Grand Total	3,19,84,600	100.00

Note:

- Total Foreign shareholding as at March 31, 2020 was 16,597,054 shares constituting 51.89%.
- 2(h) above includes 6,200 equity shares in demat form in the name of Polyplex Corporation Limited – Unclaimed Suspense Account, pursuant to Clause 5A(ii) of the Listing Agreement/Part F of Schedule V of SEBI (LODR) Regulations, 2015.
- Above shareholding is as per shares held in physical form and details of Beneficial Owners received from NSDL and CDSL.

XII. Dematerialization of shares and liquidity

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

Status of Dematerialization as on March 31, 2020

Particulars	No. of shares	% of Total Capital	No. of Accounts
National Securities Depository Limited	2,85,90,209	89.39	11,118
Central Depository Services (India) Limited	31,12,414	9.73	11,069
Total Dematerialized	3,17,02,623	99.12	22,187
Physical	2,81,977	0.88	928
Grand Total	3,19,84,600	100.00	23,115

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

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

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year.	36	6,800
Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	Nil	Nil
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	Nil	Nil
Number of Shareholders whose shares were transferred to Unclaimed Suspense Account during the Year.	Nil	Nil
Number of Shareholders whose shares were transferred to IEPF	6	600
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	30	6,200

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

