POLYGENTA TECHNOLOGIES LIMITED

30TH ANNUAL REPORT

2011-12

BOARD OF DIRECTORS :	Mr. Subodh Maskara	Chairman
	Mr. Marc Lopresto	Wholetime Director & CFO
	Mr. Vinit Kumar Baid	Independent Director
	Mr. Awadhesh Kumar	Nominee Director, IFCI Ltd.
	Mr. Fredrik Wijkander	Nominee Director, Swedfund International AB

CEO : Mr. Gerard De Nazelle

COMPANY SECRETARY : Mr. Paresh Damania

BANKERS : Ratnakar Bank
Standard Chartered Bank
HDFC Bank

REGISTERED OFFICE : B-302,
Dipti Classic Premises,
Suren Road,
Andheri(E) ,
Mumbai : 400093

FACTORY : Gut No.265/2, 266,
Village Avankhed,
Taluka Dindori,
District Nashik.
Pin 422 201
Maharashtra

AUDITORS : M/s Lodha & Company
Chartered Accountants,
6, Karim Chambers,
40, Ambalal Doshi Marg,
Mumbai 400 023.

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NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Polygenta Technologies Limited will be held on Wednesday, 26th September, 2012 at the Registered office of the company at B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai-400 093 at 11.00 A M to transact the following business:-

Ordinary Business:-

1. To consider and adopt the Audited Profit & Loss account for the year ended 31st March, 2012 and the Balance Sheet as at that date together with Report of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Fredrik Wijkander, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint auditors and fix their remuneration.

By the Order of the Board of Directors
For Polygenta Technologies Limited

Subodh Maskara
Chairman

Place : Mumbai
Date : 14th August 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

2. Members are requested to notify immediately any change in their addresses.

3. Shareholders desiring any information as regards the accounts are requested to write to the company at an early date, so as to enable the management to keep information ready.

DIRECTORS REPORT

To,
The Members of
Polygenta Technologies Limited,

The Directors take pleasure in presenting to you the **Thirtieth** Annual Report and Audited Accounts for the financial year ended 31st March 2012.

1. FINANCIAL RESULTS

	Year Ended 31st March 2012 (Rs. in Millions)	Year Ended 31st March 2011 (Rs. in Millions)
Income from Operation	1,802.2	704.7
Profit /(Loss) before Depreciation & Interest	(235.0)	86.9
Depreciation	131.7	40.4
Borrowing Cost	138.8	19.9
Profit / (Loss) before Exceptional Item	(505.5)	26.6
Add : Exceptional Items	7.5	12.2
Profit / (Loss) before tax	(498.0)	38.8
Less:Provision for Current Tax	-	7.7
Less: Provision for Deferred Tax	-	(4.1)
Profit / (Loss) after tax	(498.0)	35.2
Balance Loss b/f from previous year	(2.2)	(37.4)
Balance of Loss to be carried to Balance Sheet	(500.2)	(2.2)

2. OPERATIONS REVIEW

Polygenta has an operating license from PerPETual Global Technologies Limited (formerly known as AlphaPET Limited) ("PGTL") for the ReNEW process, a recycling technology for recycling post-consumer PET plastic bottles (**"p-cPET"**) into high quality feedstock, which it uses to manufacturer polyester filament yarn. During the financial year 2011-12, the Nashik plant converted nearly 100 million p-cPET bottles into high quality yarn, with recycled content ranging from 15-20%. This marks significant progress toward the Company's goal to become a leader in this sustainable segment, generally insulated from the more commoditised segments of the polyester market.

During the last financial year 2011-12, the revenues from manufacturing and service operations were Rs. 1,803 million. However, the Company was not able to achieve positive margins. Factors contributing to operating losses included:

Below normal market price levels over raw material cost in the polyester filament yarn (**"PFY"**) market due to poor macro-economic fundamentals and recent additions of significant capacity in the Indian PFY sector.

Being the first year of integrated operations with ReNEW technology, the management needed to de-bottleneck regularly the processes to improve plant efficiency. The Company is currently engaged in improving process efficiencies of its recycling unit and modifying and expanding its plant so that the recycled content of its PFY finished product can be significantly increased. PFY made from high blends of recycled PET feedstocks generally sells at much higher prices than comparable yarn made from standard petrochemical feedstocks, thereby providing scope for improved margins.

Health, Safety and Environment("HSE") and Implementation of Key Process

The Nashik plant made significant progress in implementing systematically its HSE Management Systems ("HSE-MS"). The plant monitors its operations against Maharashtra Pollution Control Board and the World Bank-IFC standards for air emissions, wastewater effluent treatment, noise pollution and the provision of an Environmental Social Management System.

ISO Certification

End-customers that prefer sustainable inputs and supply chain partners generally require their suppliers to operate at high international standards. To ensure that Polygenta fulfils its own corporate credo and is positioned favourably in manufacturing and selling sustainable PFY, it has already implemented SAP and is working to become compliant with ISO 9000 (Quality); ISO 14000 (Environment) and OHSAS 18001 (Health and Safety) during the first half of FY 2012-13.

3. FINANCAL REVIEW:

During the financial year 2011-12, the Company was granted a working capital facility of up to Rs.200 million.

The Company's External Commercial Borrowing (ECB) lenders continued their support to the Company's implementation of the ReNEW process by agreeing a rescheduling of the repayment of Euros 15 million in principal outstanding and a deferral of select near term interest payments.

To increase and strengthen the capital base of the Company, its lead Promoter, PerPETual Global Technologies Limited (PGTL), agreed to invest Rs. 950 million in the form of Compulsory Convertible Preference Shares (CCPS). Necessary formalities are expected to be completed during the first quarter of the financial year 2012-13.

4. DIVIDEND

Due to losses, the company is unable to declare dividend for the year ended March 31st, 2012.

5. EXPORTS

During the year, Polygenta earned significant export revenue from the sale of PFY and Chips amounting to Rs. 150 million that helped establish its commercial position in international markets. The Company also earned approximately Rs 238 million by providing various operating, engineering and risk management services.

6. PARTICULARS OF EMPLOYEES

There are no employees who draw remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

7. DISCLOSURE OF PARTICULARS RELATING TO ENERGY, RESEARCH & DEVELOPMENT ETC

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo, are given in Annexure 'I' forming part of this report.

8. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Fredrik Wijkander retires by rotation and being eligible, offers himself for re-appointment.

During the year under review, Ms.Vasantha Govindan, Nominee Director of Special Undertaking of Unit Trust of India resigned and was relieved from the post of Director.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The statement as required under Section 217 (2AA) of the Companies Act, 1956 is given in Annexure 'II' forming part of this Report.

10. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s Lodha & Co, Auditors of the Company retire at the ensuing AGM and are eligible for reappointment. Members are requested to reappoint Auditors and to fix their remuneration.

Qualifications in Auditors' Report:

The qualifications given in the Auditor's report are self-explanatory and members are referred to a detailed explanation of these in Note 32 to the accounts.

11. FIXED DEPOSITS

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

12. INSURANCE

The Company has taken adequate insurance for its assets.

13. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement except in respect of the constitution of the Audit Committee and Board. The Report on Corporate Governance is annexed as Annexure 'III' forming part of this Report.

14. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis Report, as required under the Listing Agreement with the Stock Exchange, is annexed as Annexure 'IV' forming part of this Report.

15. INDUSTRIAL RELATIONS

Cordial industrial relations continued to prevail throughout the financial year under review.

16. MEGA-PROJECT STATUS

The Nashik project has qualified for mega project status in Maharashtra on the basis of making a capital investment of Rs. 250 Crores, as specified by the government of Maharashtra, in relation to the Nashik site for the manufacture of POY and DTY. Once the Company has completed making the full Rs. 250 Crores investment, it expects to begin receiving financial benefits including exemption from prescribed taxes and duties under the mega project program.

17. ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT /

REAPPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING AS PRESCRIBED UNDER THE LISTING AGREEMENT :

Mr.Fredrik Wijkander, aged 49 years, has a degree in Mechanical Engineering from Stockholm Technical Institute. He is a Senior Investment Manager for Swedfund International AB (Swedfund) and was appointed by Swedfund and the Finnish Fund for Industrial Cooperation Ltd. to be the Nominee Director representing the ECB lenders on the Board of Directors. Mr. Wijkander has considerable experience in Europe and emerging markets in marketing, financial, legal, investment banking and environmental and ethical due diligence.

He is a Director in NS India Holding AB, Vattenfall Biomass Liberia AB, SIA Troll Nursery, Latvia, and is a Board Observer on Vietstar JSC, Vietnam. He does not hold any shares in Polygenta. He is not a committee member of any committee of Board of Directors of Polygenta.

18. ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the valuable co-operation extended to the Company by the employees of the Company, governmental departments, lending institutions, bankers, suppliers, and customers for their continued considerable support .

FOR AND ON BEHALF OF THE BOARD

Subodh Maskara
Chairman

Place: Mumbai
Date : 30th May 2012

ANNEXURE 'I' TO DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

1. CONSERVATION OF ENERGY -

(a) ENERGY CONSERVATION MEASURES TAKEN:

i) Installed LED Lights for street lighting application: Used 40 100Watt LED lamp instead of Metal Halide lamp of 250Watt thereby saving 72,000 watts per day or Rs. 183,960 per year;

ii) APFC (Automatic Power Factor Correction) Panel Installation: Optimised energy consumption by reducing power losses. Reactive energy management aims to optimise the Company's electrical installation by reducing energy consumption and improving power availability. CO2 emissions are also reduced. Maintained power factor above 0.9998;

iii) DTY Air compressor (6 bar) Discharge pressure reduced by 0.3 kg/cm2 resulting in a power saving of 6%; and

iv) Daily water consumption of the plant has been reduced by 10% by implementing improvements to the wastewater collection and treatment system.

Additional Investments and Proposals, if any, for reducing energy consumption:

i) Modification in Yarn Suction Blower Control circuit with a cost of approximately Rs. 250,000/-. Expected power saving per month of Rs. 113,400.

ii) ETP - Air blower (30 KW) 2 nos. used for aeration: to be driven by VFD (Variable speed drive). This step is expected reduce power consumption of the blower by 10%.

(b) Total energy consumption and energy consumption per unit of Production as per Form A for disclosure of particulars with respect to the Conservation of Energy.

A. Power and Fuel Consumption

Particulars	Year Ended 31st March 2012	Year Ended 31st March 2011
1. a) Electricity		
Purchased Units (KWH)	23,545,636	4,795,537
Total Amount (Rs. in millions)	167.20	27.75
Per Unit (Rs.)	7.10	5.79
b) Own Generation Through Diesel Generator		
Units (KWH)	138,967	Nil
Units per unit of fuel	3.55	Nil
Cost/Units (Rs)	12.52	Nil
2. Furnace Oil		
Consumed Units (K.Ltrs.)	1,649.6	287.6
Total Amount (Rs. in millions)	58.5	8.4
Per Unit (Rs(Per .Ltrs.)	35.48	29.07

B. Consumption per unit of Production.

Electricity KWH / TON of Production :

Particulars	Year Ended 31st March 2012	Year Ended 31st March 2011
PET Partially Oriented Yarn	404.78	326.1
PET Draw Texturised Yarn	845.4	901.4
PET Polymer Chips	193.5	88.3
Washed PET Flakes	78.7	83.3

2. Foreign Exchange Earnings and Outgoings

(Rs. Millions)

Particulars	Year Ended 31st March 2012	Year Ended 31st March 2011
Total Foreign Exchange Earned	392.7	260.3
Total Foreign Exchange used	247.1	172.4

3. TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION:

The patented ReNEW™ process is a unique, cost-effective, proven chemical process that is specifically designed to accept all grades of post-consumer PET as a feedstock. It is designed to depolymerise and decontaminate post-consumer PET bottles (**"p-cPET"**). By breaking down this p-cPET into its chemical building blocks and filtering it in liquid form, it converts this dirty recyclate stream into a high-purity ester feedstock that is indistinguishable from comparable esters made from virgin petrochemical feedstocks. This **"recycled ester"** can then be fed into a conventional polymerisation plant, where the individual esters are 'linked together' to form a high quality polyester (i.e. PET). Compared to PET made from virgin petrochemicals, the key advantages are:

- a significantly cheaper feedstock (versus the conventional petrochemicals used for PET manufacturing worldwide, PTA and MEG;
- low energy use;
- a sustainable business model (using pre-existing recycled resources rather further depleting finite crude oil reserves);
- a lower carbon footprint;
- no compromise in quality; and
- the ability to satisfy un-met customer demand for high quality textile products made sustainably.

The ReNEW plant's unique process has been designed to recycle any grade of post-consumer PET bottles, including the dirtiest coloured bottles that trade at a significant discount to clear bottles due to the technology and cost limitations of existing processes to treat them into value-add products. Management refers to this competitive advantage as "enhanced bottle recovery", an analogy to the oil and gas sector's "enhanced oil recovery" (i.e. the latter entailing firms specialising in refining more difficult grades of crude oil). On this technical advantage, Management therefore expects that Polygenta's feedstock cost advantage to be at least maintained, if not improved.

The Company's plans include the implementation of an enhancement to the ReNEW recycling process to enable the company to store stocks of recycled ester made from p-cPET. The Company is also seeking capital to increase the site's recycling capacity. These improvements are expected to help maximise the value of the Nashik plant capital investment to date.

The Company has implemented a process technology that efficiently and comprehensively recycles post-consumer PET bottles as a substitute for the conventional petrochemical feedstocks of polyester, without compromise to the production of high quality product.

a) Efforts, in brief, made towards technology absorption, adaption and innovation

The Company has an on-going R&D programme focussed on optimising the existing process and reinforcing its intellectual property protections. The main areas of development are:

- The introduction and gradual Increase in the use of coloured bottles as a feedstock;
- Improvements in the colour removal process and technologies; and
- Gradual introduction of composite PET packaging and film as alternate feedstocks.

b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

The benefits expected to be derived from the above efforts include cost reductions, improved product performance and consistency, greater supply chain efficiency, reliability, and flexibility. This will be achieved primarily by expanding the range of post-consumer and post-industrial (in-process) recycled PET that can be used cost-effectively as a substitute for conventional petrochemical feedstocks.

c) **Information about Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year)**

The Company has had a license to use a proprietary recycling technology from its Promoter, PGTL, since 2009. This technology has been fully absorbed and is in use at the Nashik plant.

FOR AND ON BEHALF OF THE BOARD

Subodh Maskara
Chairman

Place: Mumbai
Date : 30th May 2012

ANNEXURE 'II' TO DIRECTORS' REPORT

Directors' Responsibility Statement as required under section 217(2AA) of the Companies Act, 1956 (The Act):

It is hereby confirmed :

(i) That in the preparation of the annual accounts for the year ended 31st March 2012, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;

(ii) That the Directors 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 at the end of the financial year and of the profit /loss of the Company for that year;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) That the Directors have prepared the annual accounts on a going concern basis.

FOR AND ON BEHALF OF THE BOARD
Subodh Maskara

Chairman
Place: Mumbai
Date : 30th May 2012

ANNEXURE 'III' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

The Company's philosophy on Corporate Governance is to achieve sustained growth, maintain proper controls and high standards of accounting fidelity, and to ensure transparency in disclosure, and internal and external communications. The Company also complies with the listing requirements of the stock exchange where its shares are listed. The Company has adopted a code of conduct. The Directors and senior managerial personnel have affirmed compliance with the code for the year ended 31st March 2012. The following is a report on the status and progress on major aspects of Corporate Governance.

2. Board of Directors

The Board of Directors consists of the following members. As per the Listing Agreement, the Company should have 50% of the Directors to be independent. The Company has two independent directors out of total five directors on the Board after Ms.Vasantha Govindan, Nominee Director of Special Undertaking of Unit Trust of India resigned from the Board. The Company is in the process of appointing an additional independent director.

Name of Director(s)	Category of Directorship	No. of other direct—orship	No. of Committee membership /Chairmanship	No. of Committee membership/ chairmanship in all other companies	No. of Board Meetings attended	Attendance at last AGM
Mr. Santosh Maskara	Chairman	3	5	-	6	Yes
Mr. Vinit Kumar Baid	Non-Executive Independent	1	5	-	3	Yes
Mr. Fredrik Wijkander	Non-Executive	3	-	-	-	No
Mr. Awadhesh Kumar	Nominee Director	-	-	-	-	No
*Ms.Vasantha Govindan	Nominee Director	1	-	-	1	No
Mr. Marc Lopersto	Executive	1	4	-	7	No

There were seven Board meetings held during the Year Ended 31st March 2012. These were on 11th May 2011, 3rd June 2011, 12th August 2011, 10th November2011, 19th January2012, 13th February 2012, and 23rd March 2012. The last Annual General Meeting (AGM) was held on 20th September 2011.

* Mrs. Vasantha Govindan; Nominee Director of Special Undertaking of Unit Trust of India resigned and was relieved with effect from 10th November 2011.

3. Audit Committee

The Audit committee consists of three Directors which includes one executive Director. The Company is in the process of appointing an independent director on the Board who will also be appointed as member of the Audit Committee. The Audit Committee was set up by the Board of Directors on 22nd April 2001. The terms of Reference of the Audit Committee are as per the guidelines set out in the listing agreement including inter alia: include overseeing financial reporting processes, reviewing with management the financial statements, accounting policies and practices, adequacy of internal control systems, adequacy of internal audit function and discussion with internal auditors on any significant findings, and financial and risk management policies. During the Year Ended 31st March 2012, four Audit Committee Meetings were held. These were held on 31st May 2011, 12th August 2011, 10th November 2011, and 13th February 2012.

Name of Director	Profession	No. of Meetings Attended
Mr. Vinit Kumar Baid	Service	4
Mr. Subodh Maskara	Industrialist	3
Mr.Marc Lopresto	Service	4

Mr.Vinit Baid is the Chairman of the Audit Committee.

4. Shareholder Grievance and Share Transfer Committee Meeting:

The Board constituted a "Shareholders Grievance & Share Transfer Committee" on 22.04.2001 that looks into shareholders and investors grievances and authorises Share Transfers. The Company Secretary, Mr.Paresh Damania, in his capacity as 'Compliance Officer' is responsible for expediting Share Transfer formalities and solving shareholders grievances. During the Year Ended 31st March 2012, twenty-four Committee Meetings were held. Composition and attendance at the meeting of the said Committee are as under:

Name of Director	No. of meetings attended
Mr. Vinit Kumar Baid	20
Mr. Subodh Maskara	4
Mr. Marc Lopresto	24

There were no complaints received during the year. The number of pending share transfer as on 31st March 2012 was nil.

Mr.Vinit Baid is the Chairman of the Shareholders Committee.

5. Remuneration Committee

The Remuneration Committee was formed to review the remuneration paid to Managing / Whole time Director from time to time. Committee membership consisted of the following Directors:

1) Mr. Subodh Maskara; Chairman
2) Mr. Vinit Kumar Baid

The Remuneration Committee meeting was held on 31st May 2011 to review the remuneration of Mr. Marc Lopresto. The meeting was attended by both the Members.

The remuneration is fixed at the Remuneration Committee in accordance with Industry standard and within the limits of Schedule XIV to the Companies Act, 1956.

Details of remuneration paid to Mr.Marc Lopresto, Wholetime Director:-

Salary	Rs. 1,990,801/-
Co's Contribution to Provident Fund	Rs. 144,000/-

6. Allotment Committee

On 16th March 2009, Allotment Committee was formed to consider the allotment of Compulsory Convertible Preference Shares ("CCPS"), Optionally Fully Convertible debentures ("OFCD") and other securities from time to time. Committee membership consisted of the following Directors:

1. Mr.Subodh Maskara
2. Mr. Marc Lopresto
3. Mr. Vinit Kumar Baid

No meetings of the Allotment Committee were held during the year under review.

7. CCPS Conversion Committee

On 20th September 2010, CCPS Conversion Committee was formed to consider the conversion / transfers of Compulsory Convertible Preference Shares ("CCPS"). Committee membership consisted of the following Directors:

1. Mr. Subodh Maskara
2. Mr. Marc Lopresto
3. Mr. Vinit Kumar Baid

No meetings of the CCPS Conversion Committee were held during the year under review.

8. General Body Meetings

The previous three Annual General Meeting were held as per the details given below:

Year	Day	Date	Time	Venue
2009	Wednesday	29.04.2009	11:00 a.m	128, Jolly Maker Chambers II, Nariman Point, Mumbai - 400021
2010	Friday	9.07.2010	11:00 a.m	128, Jolly Maker Chambers II, Nariman Point, Mumbai - 400021
2011	Tuesday	20.09.2011	03:00 p.m	B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai : 400093

No Special resolutions were passed in the previous three Annual General Meetings.

No Special Resolution was put through postal ballot last year nor proposed this year.

9. Disclosures

There were no transactions carried out during the year with any related parties, i.e. Promoters, Directors, Relatives, Subsidiaries, or Management except payment of remuneration to the Wholetime Director and rent and receipt of service income in the normal course of business. (Refer Note 31 to Accounts).

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the said authorities. The Company has complied with all of the mandatory requirements of Clause 49 of the Listing Agreement. The Company is in the process of adopting the non-mandatory requirements of Clause 49 in due course.

10. Means of Communication

The quarterly results are usually published in The Asian Age (English Newspaper) and Tarun Bharat (Marathi Newspapers). The Results are also displayed on the Company's website : www.polygenta.com.

11. General Shareholder Information

A. The 30th Annual General Meeting Day, Date, Time and Venue

Day	Date	Time	Venue
Wednesday	26th Sept. 2012	11.00 A.M.	B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai-400093

Financial Year 1st April to 31st March

B. Financial Calendar (From April 2010 onwards)

Adoption of Quarterly Results for quarter ending :

June, 2012	Third week of August, 2012
September, 2012	Third week of November, 2012
December, 2012	Third week of February, 2013
March, 2013	Last week of May 2013

Annual Book Closure 24th September 2012 to 26th September 2012 (both days inclusive)

Dividend Payment Date Not Applicable as no dividend is recommended.

C. Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. (**"BSE"**).
Stock Code: 514486
The Company has paid the annual listing fees for the financial year 2011-12 to the BSE.

D. Market Price Data:

The following were the high and low prices for the Company's equity shares during the last financial year. The Company's shares were not traded on the Stock Exchange on a daily basis. Hence the high and low prices of the shares are given as and when the shares were traded.

Month	Bombay Stock Exchange	
	High	Low
April 2011	47.90	45.55
May 2011	45.45	43.30
June 2011	44.00	41.85
July 2011	42.10	41.85
August 2011	42.10	42.10
September 2011	40.00	40.00
October 2011	40.00	40.00
November 2011	44.10	40.00
December 2011	41.90	41.90
January 2012	40.00	40.00
February 2012	42.00	42.00
March 2012	44.10	41.95

During the year the BSE Sensex decreased by 10.5%, whereas the Company's price decreased by 12.4%.

E. Registrar and Share Transfer Agents:

The Company's Share Transfer Agents address is:
M/s Universal Capital Securities Pvt. Ltd.
(formerly Mondkar Computers Pvt. Ltd.)
21, Shakil Niwas, Opp. Satya Saibaba Temple
Mahakali Caves Road, Andheri (E),
Mumbai : 400 093
Phone No.: 28207203 / 28257641
Telefax: 2820 7207

F. Share Transfer system:

With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to the Share Transfer Agents. Shares for transfer are processed expeditiously within 3 weeks in the case of physical transfers.

G. Dematerialisation of Shares :

The Company has entered into a contract with CDSL and NSDL.

As on 31 March 2012, 78.16 % of the Company's shares were held in de-materialized form.

H. Shareholding Pattern as on 31st March 2012

Category	No. of Shares	%
Promoters	9,19,12,464	74.94%
Banks, Financial Institutions	31,46,594	2.57%
Bodies Corporate	146,650	0.12%
NRIs/OCBs	1,93,09,361	15.74%
Public	81,40,696	6.63%
Total	**12,26,55,765**	**100.00%**

I. Distribution of Shareholding as on 31st March 2012

Share Holding (Rs.)			Share Holders Number	% of Total	Share Holdings Holdings	% Total	Share Amount Rs.	% Total
1			2	3	4	5	6	7
Upto		500	1,082	95.837	36,554	0.030	3,65,540	0.030
501	-	1,000	16	1.417	13,055	0.011	1,30,550	0.011
1,001	-	2,000	8	0.709	12,352	0.010	1,23,520	0.010
2,001	-	3,000	1	0.089	2,510	0.002	25,100	0.002
3,001	-	4,000	2	0.177	7,250	0.006	72,500	0.006
4,001	-	5,000	1	0.089	4,900	0.004	49,000	0.004
5,001	-	10,000	1	0.089	7,250	0.006	72,500	0.006
10,001	and above		18	1.594	12,25,71,894	99.932	122,57,18,940	99.932

Liquidity of Shares: The Equity Shares of the Company are included under category T at the Bombay Stock Exchange, Mumbai.

Mr.Subodh Maskara, Chairman and Non Executive Director holds 804,600 Equity Shares; Mr.Vinit Baid; Independent Non Executive Director holds 220 Equity Shares and Mr.Marc Lopresto, Wholetime Director holds 600,000 Equity Shares of the Company as on 31 March 2012.

J. Plant location:

Gate No. 265/2,266, Village Avankhed, Taluka Dindori, District Nashik 422 201.

K. Address for Correspondence:

The Shareholders may address their communications / suggestions /grievances/ queries to:

Company Secretary
POLYGENTA TECHNOLOGIES LIMITED
B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai:400093.

OR

The Registrar and Transfer Agents
M/s Universal Capital Securities Pvt. Ltd.
(Formerly M/s. Mondkar Computer Services Private Limited)
25, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai 400 093.

For and on Behalf of the Board
Subodh Maskara
Chairman

Place: Mumbai
Date : 30th May 2012

12. Auditors' Report on Corporate Governance:

To,
The Board of Directors,
Polygenta Technologies Limited

We have examined the compliance of conditions of Corporate Governance by Polygenta Technologies Limited ("the Company"), for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges of India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance, except inter alia for

a) non-compliance of clause 49-I (A) regarding the required number of independent directors in the composition of Board of the Directors of the Company, as stipulated in the Listing Agreement;

b) non-compliance of clause 49-II (A) regarding the required number of independent members in the Audit committee, as stipulated in the Listing Agreement.

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 Registration No: 301051E
R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: May 30, 2012

ANNEXURE 'IV' TO DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development, Opportunities and Threats:

Polygenta Technologies Limited (**"Polygenta"** or the **"Company"**) was incorporated in 1981. Over the years, it has ventured into the business of manufacturing and selling polyester filament yarn (PFY). The Company's strategic objective is to become a leading manufacturer of high quality, sustainable (environment-friendly) Polyester Filament Yarn (**"PFY"**) using post-consumer PET bottles (also a polyester) as its primary feedstock.

Polygenta has acquired from **PerPETual Global Technologies Limited ("PGTL")** a license for the ReNEW process, a PET recycling technology, which produces a *sustainable* feedstock (a **"recycled ester"**) which can be further processed for use in manufacturing polyester products. Polygenta sells its PFY products for various applications including apparel, denim, home furnishings, floor coverings, and industrial applications. Management believes that Polygenta is well-positioned to play a leading role in this *sustainable* segment generally insulated from the more commoditised, price-driven segments of the polyester textile market.

Polygenta currently operates from a single plant near Nashik in the state of Maharashtra in India. The plant is 100% integrated from feedstock through to the manufacturing of PFY. The plant processes both petrochemical conventionally used by most polyester manufacturers and recycled post-consumer PET Bottles (**"p-cPET"**) into a molten polyester polymer, spins it into a raw yarn (POY) and then texturises the POY, making a finished drawn texturised yarn (**"DTY"**) which Polygenta customers use to weave fabric for garments, etc. Polygenta's plant is designed so it can manufacture DTY from only petrochemical feedstocks, a blend of these conventional feedstocks with p-cPET or, with modification, 100% p-cPET.

Presently, the plant is operating at a capacity of 72 tons per day (tpd) and average monthly capacity utilisation of approximately 90% with approximately 15-20% of its primary feedstock derived from p-cPET.

During the last financial year, Polygenta has established its reputation as a reliable and consistent supplier of high quality PFY in selected product segments with customers interested in buying POY and DTY in which a sustainable recycled ester made from p-cPET is used a feedstock. Over the next year, the Company will be modifying its yarn production at Nashik to increase the proportion of feedstock derived from p-cPET sources.

In parallel, the Company will be seeking to adapt the unique chemical nature of the ReNEW process so that it can expand the range of post-consumer and post-industrial recycled PET feedstock, including composite PET packaging, fabrics, and carpets. Currently the recycling of these polyester products is relatively low and sub-optimal in terms of the value and quality of products derived from these non-bottle PET recyclates.

Management believes these initiatives will enable Polygenta to take advantage of present and growing trends to increase the sustainability of the polyester textile sector. These trends include the following:

- As vital as polyester is to meet global textile demand (as the leading fibre of choice), the fact that polyester is not bio-degradable poses a serious challenge to the industry overall as increasingly manufacturers are being asked to take responsibility for products at the end of their useful lives;
- The decreasing availability and increasing costs of landfill and /or incineration as viable options for disposal of process waste or end-of-life products; and
- Increasing consumer demand products (without compromising quality) that are made sustainably, in particular maximising the degree to which feedstocks can be from recycled and/ or renewable sources that benefit the environment.

To help ensure a successful pursuit of this strategy, Polygenta is committed to the being an enterprise which excels in innovation, sustainability, and empowerment, building mutually rewarding partnerships with all of its stakeholders.

Operating Results and Financial Performance:

For a substantial part of the year ended 31st March 2011, the Company was in the project mode. On 1st March 2011, the Company commenced commercial production on a fully integrated basis (i.e. making PFY from petrochemical feedstocks PTA/ MEG).

During the financial year 2011-12, the Nashik plant converted nearly 100 million post-consumer PET Bottles for use as a feedstock in making high quality PFY with a recycled content of 15%-20%.

The revenues from manufacturing operations were Rs. 1,548 million. However, the Company was not able to achieve positive margins. The primary factors contributing to these operating losses included:

- Below-normal margins between feedstock costs and product prices in the polyester filament yarn market due to poor macro-economic fundamentals and recent additions of significant capacity in the Indian PFY segment. (Note: The average margin or "delta" between finished product prices and the composite feedstock cost of PTA+MEG was approximately 30% lower during the financial year 2011-12 compared to the previous few years).

- Being the first year of integrated operations with ReNEW technology, the Management elected to suspend temporarily operations a few times to debottleneck and improve quality and plant efficiency. That said, during the last financial year, the plant did deliver 297 days of safe and reliable operations. The polymer plant produced 18,369 tons of polymer, thereby utilising roughly 70% of capacity for the year.
- During various start up and stabilisation periods during the year, higher than normal volumes of chips were produced and higher off-spec material generated from the recycling plant. The off-spec material was sold at substantial negative margins and the chips were sold at below cost.
- The net consumption of MEG in the chemical recycling of PET bottles was above average during the start up and stabilisation phase during the year. Generally this MEG is recovered, decontaminated, and re-used. However, in the start-up phases, a higher amount of used-MEG was sold to 3rd parties for re-generation at a lower value than the market value new MEG, accordingly generating a cost.

During the last quarter of the financial year, the plant achieved certain operational improvements. From January 2012, the Company stopped producing chips which is a lower yielding product versus than POY or DTY. The Company has also made improvements in lowering the cost of recycling p-cPET, in part by reducing the net consumption of MEG used in the process.

Over the next year, the Company anticipates increasing materially the recycled content of its yarn production and improving further the operating efficiency of its ReNEW recycling unit.

During the financial year, the Company continued to advise **PGTL,** the licensor of ReNEW technology, **and PGTL's affiliates** on various aspects of the ReNEW Technology. In addition to being deployed for the manufacturing of polyester textile products, the ReNEW process has comparable applicability for the PET bottle grade resin and PET film sectors. In anticipation of building the foundation for enterprises focused on these two sectors, AlphaPET sought the advisory services of Polygenta on various pertinent aspects. The Company booked a total income of Rs. 238 million from these advisory projects, which is included in Operating Income. Accordingly, sales of goods from the regular manufacturing operations taken together with the service income resulted in cash losses of Rs.37.4 million during the financial year ended 31st March 2012.

The Company generated Rs.7.5 million of profit on sale of its Murbad land that was held for disposal.

As of the end of the fiscal year, your Company's net worth totalled Rs 752.1 million. Separate and in addition to this, prior to the end of the financial year, the Company had received Rs.177 million in share application funds pending allotment. Subsequent to year end, at an Extraordinary General Meeting held on 21st April 2012, the shareholders authorised the Board to issue up to 22.2 Million CCPS on a preferential basis at Rs.43/- per CCPS to PGTL, holding company and lead Promoter of the Company. By May 21st, 2012, the Company had received Rs. 948 million as share application money.

As previously reported, in 2009 the Company procured External Commercial Borrowing (ECB) loans in the amount of Euro 15 Million (equivalent to Rs.101.8 million as on 31st March 2012). Prior to the financial year end, the ECB lenders demonstrated their continued support and confidence by agreeing to defer selected interest payments and a re-scheduling of repayment of the principal loan. Final formal consummation of the re-rescheduling was completed subsequent to the balance sheet date. The Company has provided for interest of Rs.144 million (equivalent to Euros 2.12 Million) on the ECB loans up to 31st March 2012.

During the year, Ratnakar Bank sanctioned a Rs 200 million working capital loan facility. This facility, along with the ECB loan facilities and loan facility from Standard Chartered Bank are secured by charges over the Company's immovable and movable assets. This security charge has been effected by the Company creating a charge in favour of the Unit Trust of India Investment Advisory Services Limited, the trustee on behalf of the Lenders.

Subsequent to the balance Sheet, the Company repaid Rs. 100 million of outstanding project loans, Rs. 80 million of the working capital facility and Rs. 70 million of buyers credit loan arranged with Standard Chartered Bank. Advances from the holding company of Rs. 213 million were paid out from the capital investment received by the Company.

As of 31st March 2012, the investment in Company gross fixed assets was Rs. 260 million with an additional Rs. 69 million in Capital Work-in-Progress in relation to enhancing the polymerisation and recycling units' efficiencies and capacities. Phase 1 of this project is expected to complete in the first half of the financial year 2012-13. The Company is working with its promoters to raise additional capital to increase the Nashik plant's capacity for recycling p-cPET.

Industry Outlook

PET Market

Polyethylene Terephthalate (polyester or PET) is one of the most versatile and widely used plastics in the world. Many everyday products like food containers, synthetic fibres and almost all plastic bottles are made from PET. PET is manufactured by reacting an acid and a glycol together, resulting in an ester, and feeding these esters into a polymerisation vessel that links them in a chain, thereby creating a 'poly-ester'. Currently, most manufacturers of PET products rely primarily on “virgin” petrochemical feedstocks refined from crude oil: Purified Terephthalic Acid (PTA) and Monoethylene Glycol (MEG).

Approximately 65 million tonnes of PET are expected to be produced globally in 2012. This tonnage has grown at a compound annual growth rate of 7.25% over the last 20 years. It is estimated that approximately 19 million tonnes go to bottle-grade PET primarily for beverages and packaging (around 600 billion PET bottles were sold in 2011), 27 million tonnes are used in high-quality fibre applications (PFY), 14.5 million go into lower-value fibre applications (PSF - polyester staple fibre), 2.7 million are used in PET films, and the remainder for other PET applications. A CAGR of 7.1% from 2011 to 2016 in PET bottles alone, is expected to continue, driven primarily by increasing population and consumer demand in the emerging markets.

In 2011, approximately 47% or about 7.3 million tonnes of the world's bottle-grade PET production was collected for reprocessing, with the remainder incinerated or disposed of at landfill sites. Most of this recycled post-consumer PET bottles (“p-cPET”) is made into low-grade products using inefficient mechanical processes. The low-grade of these products results from technical processing limitations, residual impurities, feedstock inconsistency, and molecular deformities inherently related to these mechanical processes. This product is then mainly used in fibre-fill, staple fibre and packaging straps, rather than higher-grade applications, such as polyester filament yarn such as that made by the Company, food-grade bottles, and rigid packaging materials.

The high-end segments of the fibre market, such as filament, are more demanding, where issues such as dye uptake (for colour consistency) and tenacity (for strength) are important. For this reason, there is little rPET used in these applications and what there is, can command a price which is much higher than a comparable yarn made from virgin petrochemicals. Presently, ReNEW plant at Nashik process 20 million bottles monthly, which is less than 1% of the global collection. As it focuses on manufacturing polyester filament yarn using higher proportions of p-cPET as a source feedstock, the Company will be seeking to establish itself as a significant player in this niche segment within one of larger Indian industrial sectors that is an important foreign exchange earner for India.

Polyester texturised yarn (the Company's product) is used directly by weavers units to produce fabric which is turn made into garments, home textiles, and other products for domestic consumption and export. For various applications, texturised yarn is considered generally to be more cost competitive than yarn made from polyester staple fibre (“PSF”) as production of the latter is more energy intensive. Sector-wide, the PFY sector is projected to grow at a CAGR of approximately 7%. The key drivers for this growth include:

- improved competitiveness internationally as more of China's production is consumed domestically;
- the strength of growth in the domestic market driven both population growth and increases in disposable income; and
- relative competitiveness versus other natural and man-made fibres.

Unlike mechanical recyclers, the ReNEW process, as a result of its lower costs and ability to create a product that is chemically equivalent to virgin petro-chemical feedstock, is able to offer conventional virgin PET manufacturers a second source of feedstock supply and a sustainable equivalent to virgin PTA and MEG, which does not alter the quality, nor quality consistency, of their end-products.

Management believes that the sustainable polyester filament yarn segment that Polygenta is targeting will grow at a materially faster rate than the overall PFY market. Many leading global apparel and home textile brands are publicly adopting challenging targets in 3-5 year time frames to manufacture a much larger percentage of their product line from environmentally compatible sources and suppliers. Management believes that demand for these products significantly exceeds supply and that this imbalance will continue for the foreseeable future.

Risks and Concerns :

While there is a bright outlook for the polyester sector generally and the specialty segments of interest to Polygenta, the Company is cognizant that, inherent particularly in a sector such as polyester, one needs to be vigilant in identifying and actively and prudently managing risk inherent to the business.

Generally the Company categorises its risks in terms of market risk (including feedstock and product pricing, interest rate and foreign currency fluctuations), credit risk, infrastructure risk (hardware, software and IT) and operating risks (including but not limited to health, safety, and environmental risks).

The Company is seeking to manage its overall exposure to product, feedstock, and margin fluctuations through a number of steps: including diversifying suppliers, careful negotiation of supply contract terms and matching of contract sales as feasible and seeking benefits when possible from the use of substitute feedstocks.

Similarly, the Company intends to pursue actively export markets for its products first and foremost because of the excellent opportunities that the Management believes those market hold, but also because these provide a natural hard-currency hedge for its foreign currency denominated term debt obligations.

Management is also cognizant that its personnel are the core asset of the Company and that competition for talented personnel will only intensify in the future. To help ensure full develop and optimal retention of its this valuable asset, Management is committed to is investing in its development and providing through an exceptional work environment and training opportunities coupled with competitive and innovative compensation and incentive schemes.

Segment wise Performance:
All products relate to textile application and hence segmental reporting is not applicable.

Internal Control Systems and their Adequacy:
The company is constantly enhancing its internal control systems commensurate with the size and nature of its business.

To facilitate timely tactical and strategic business decisions through faster assimilation of information, your company has implemented world-class integrated application software systems (SAP) for on-line Transaction Processing. This has contributed significantly to seamless transaction processing, MIS and Internal Controls and Procedures.

The Company has appointed a specialist internal audit firm M/S DDA consulting, which submits its quarterly report to the Audit Committee, which in-turn reports to Board of Directors.

The Internal Auditor provides reasonable assurance to the Board of Directors that the risk exposures it faces are understood and managed appropriately in dynamically changing contexts. The Company's internal audit focuses on Management / Operational Audit through transaction validation on value additions, systems improvement and statutory compliances.

Human Resource Development and Research Activities:
The Management strongly feels that the Company's core strength lies in its human resources. Training and development of human resources is an ongoing priority for the Company as it seeks to become a leading innovator in its sector and perform at a very high standard in all aspects of its business and operations, particularly in a rapidly changing external environment. In pursuit of such high standards the Company is currently actively engaged in the development and adoption of work practices and procedures so that the Company can achieve certification under ISO 9000 (Quality), ISO 14000 (Environment) and OHSAS 18001 (Health and Safety).

FOR AND ON BEHALF OF THE BOARD

Subodh Maskara
Chairman

Place: Mumbai
Date : 30th May 2012

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The Management of Polygenta Technologies Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India.

The Management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in the Annexure IV Management Discussion and Analysis section describing the Company's progress, status, objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. The Management has made these statements based on its current expectations and projections about future events. Wherever possible, it has tried to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in commercial market conditions, the political and economic environment in India and elsewhere, tax laws, litigation, labour relations, exchange rate fluctuations, interest expense, and other costs, which may cause actual results to differ materially. The management cannot guarantee that these forward-looking statements will be realised, although it believes that it has been prudent in making these assumptions. The Management undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

LODHA & CO
Chartered Accountants

6, Karim Chambers,
40, Ambalal Doshi Marg,
Mumbai - 400023.

AUDITORS' REPORT
To
The Members of
POLYGENTA TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of **POLYGENTA TECHNOLOGIES LIMITED ("the company")** as at 31st March, 2012 and also the Statement of Profit and Loss 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.

2. We conducted our audit in accordance with the 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 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956 (hereinafter referred to as "the Act"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

   a) We are unable to express an opinion as to when and to what extent the Net Deferred tax Assets of Rs.96.6 million recognized in respect of unabsorbed depreciation / losses during the period ended December 31, 2008 would reverse as there is no virtual certainty as contemplated in the Accounting Standards (AS) 22 "Accounting for Taxes on Income" issued by Companies (Accounting Standards) Rules, 2006, the impact whereof on the financial statements (current year loss and accumulated losses) is presently not ascertainable.

   b) 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;

   c) 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;

   d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   e) Subject to what is stated in paragraph (a) above, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Act, to the extent applicable;

   f) On the basis of written representations received from the directors as on March 31,2012 and taken on record by the Board of Directors, wherever applicable, we report that none of the directors is disqualified as on March 31,2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with Significant Accounting Policies and other accompanying Notes subject to what is stated in para 4(a) above regarding recognition of deferred tax assets inspite of there being no virtual certainty and consequential impact whereof on the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the generally accepted accounting principles in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

      ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

      ii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: May 30, 2012

Annexure referred to in paragraph 3 of our report of even date on the Financial Statements as at and for the year ended March 31, 2012 of Polygenta Technologies Limited

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

   (b) As explained, the assets have been physically verified by the management in accordance with the phased programme designed to cover all the assets over two years. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its fixed assets. As informed, no major discrepancies were noticed on such verification.

   (c) No substantial/major part of fixed assets has been disposed off by the Company during the year.

2. (a) The inventories have been physically verified by the management at reasonable intervals during the year.

   (b) The procedures of physical verification of inventories followed by the management are adequate in relation to the size of the Company and the nature of its business.

   (c) The Company is maintaining proper records of inventory. During the year, discrepancies noticed on physical verification of stocks as compared to book records were not material and has been appropriately dealt with.

3. The Company has not taken/granted any loans, secured or unsecured, from/to Companies, Firms and other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items of fixed assets and inventories purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in their internal control system.

5. (a) During the year, the Company has not entered into a contract that needs to be entered in the register maintained under Section 301 of the Act.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Act and rules framed thereunder.

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

8. We have broadly reviewed the cost records maintained by the Company, pursuant to the Order of the Central Government under Section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such records with a view to determine whether they are accurate or complete.

9. (a) During the year, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other statutory dues with the appropriate authorities except certain delays, ranging between 2 to 100 days, in payment of sales tax and service tax. There are no statutory dues outstanding for more than six months as on 31st March, 2012 from the date they became payable.

   b) According to the records of the Company, there are no dues in respect of Sales Tax/ Income Tax/ Custom Duty/ Wealth Tax/ Service Tax/Excise Duty/ cess which have not been deposited on account of any dispute except excise duty/service tax of Rs. 4.40 million relating to the year's 2008-09 and 2009-10, dispute where of is pending in the Customs, Excise and service tax appellate Tribunal (CESTAT).

10. The Company has no accumulated losses exceeding by more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash losses during the financial year and not in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.

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. As the Company is not a nidhi/ mutual benefit fund/ society, the provisions of clause 4(xiii) of the Order is not applicable to the company.

14. As the Company is not dealing or trading in shares, securities, debentures and other investments the provisions of clause 4(xiv) of the Order is not applicable to the company.

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

16. According to the information and explanations given to us, the Company has not raised any term loan during the year.

17. According to the information and explanations given to us and on an overall examination of cash flow statements and balance sheets of the Company, in our opinion, the funds raised on short term basis have been prima facie, not been used for long term investments.

18. The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Act, during the year.

19. The Company has not issued any Debentures during the year.

20. The Company has not raised any money by way of public issues during the year or in the recent past.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For LODHA & CO.
Chartered Accountants
Firm Registration No: 301051E

R. P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date: May 30, 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in million)

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
A. Shareholders' funds			
(a) Share capital	2	1,226.6	1,226.6
(b) Reserves and surplus	3	(474.5)	23.4
Sub Total (A)		**752.1**	**1,250.0**
B. Share application money, Pending allotment	4	177.0	-
Sub Total (B)		**177.0**	**-**
C. Non-current liabilities			
(a) Long-term borrowings	5	1,018.0	950.7
Sub Total (C)		**1,018.0**	**950.7**
D. Current liabilities			
(a) Short-term borrowings	6	628.5	396.1
(b) Trade payables	7	87.4	217.3
(c) Other current liabilities	8	391.6	253.7
(d) Short-term provisions	9	13.0	11.3
Sub Total (D)		**1,120.5**	**878.4**
TOTAL (A+B+C+D)		**3,067.6**	**3,079.1**
II ASSETS			
E. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,329.5	2,389.6
(ii) Intangible assets	10	11.2	13.9
(iii) Capital work-in-progress	10	69.8	-
(b) Non-current investments			
(c) Deferred tax assets (net)	11	96.6	96.6
(d) Long-term loans and advances	12	6.3	3.6
(e) Other non-current assets	13	2.4	2.2
Sub Total (E)		**2,515.8**	**2,505.9**
F. Current assets			
(a) Current investments		-	-
(b) Inventories	14	253.3	280.2
(c) Trade receivables	15	88.9	102.5
(d) Cash and bank balances	16	50.2	45.7
(e) Short-term loans and advances	17	130.9	119.2
(f) Other current assets	18	28.5	25.6
Sub Total (F)		**551.8**	**573.2**
TOTAL (E+F)		**3,067.6**	**3,079.1**
Significant Accounting Policies and Accompanying notes forming integral part of the financial statements	**1-39**		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants

R.P.Baradiya
Partner

Place: Mumbai
Dated: 30th May 2012

For and on behalf of the Board of Directors

Subodh Maskara
Chairman

Marc Lopresto
Wholetime Director & CFO

Paresh Damania
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in million)

	Particulars	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
1	Income from operations	19	1,802.2	704.7
2	Other income	20	8.6	5.1
3	**Total Revenue (1+2)**		**1,810.8**	**709.8**
4	**Expenses**			
	(a) Changes in inventories of finished goods, work-in- progress and stock-in-trade	21	(2.0)	(128.8)
	(b) Cost of materials consumed	22	1,542.2	583.1
	(c) Power & Fuel	23	225.7	36.1
	(d) Employee benefits expense	24	133.4	40.5
	(e) Selling & Distribution expenses	25	47.5	14.1
	(f) Other expenses	26	69.8	47.9
	(g) Net loss on foreign currency transaction and translation		29.3	30.0
	(h) Depreciation and amortisation expense	10	131.6	40.4
	(i) Finance costs	27	138.8	19.9
	Total Expenses		**2,316.3**	**683.2**
5	**Profit / (Loss) before exceptional and extraordinary item and tax (3-4)**		(505.5)	26.6
6	Exceptional items	28	7.5	12.2
7	**Profit / (Loss) before extraordinary items and tax (5+6)**		**(498.0)**	**38.8**
8	Extraordinary item		-	-
9	**Profit / (Loss) before tax (7+8)**		**(498.0)**	**38.8**
10	Tax Expenses:			
	(a) Current tax		-	7.7
	(b) Deferred tax		-	(4.1)
			-	**3.6**
11	**Profit / (Loss) For the Year (9-10)**		**(498.0)**	**35.2**
12	**Earnings per share of face value of Rs. 10 each -**			
	Basic & Diluted Earnings Per Share (Before Exceptional Items) in ₹		(4.12)	0.49
	Basic & Diluted Earnings Per Share (After Exceptional Items) in ₹		(4.06)	0.75
	Significant Accounting Policies and Accompanying notes forming integral part of the financial statements	**1-39**		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants

R.P.Baradiya
Partner

Place: Mumbai
Dated: 30th May 2012

For and on behalf of the Board of Directors

Subodh Maskara
Chairman

Marc Lopresto
Wholetime Director & CFO

Paresh Damania
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in million)

Particulars	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit/(Loss) before tax and exceptional items		(505.5)	26.7
Adjustments for :			
Depreciation		131.6	40.4
Interest		138.8	19.9
Profit on Sale of Asset held for Disposal/Scrapping of fixed Assets		-	2.9
Provision for Doubtful Debts		0.4	-
Exchange Gain or Loss on Asset and liabilities		5.4	32.9
Provision no longer required written back		(4.9)	(3.1)
Operating Profit before Working Capital Changes		**(234.2)**	**119.7**
Adjustments for :			
Trade receivables and other Current Assets		(6.0)	(65.7)
Inventories		26.9	(64.4)
Trade Payables and other Current Liabilities		(56.5)	257.1
Cash generated from Operations		(269.8)	246.8
Direct Taxes paid		(0.3)	(7.8)
Cash generated from Operations before exceptional items		(270.1)	239.0
Add\ (Less): Exceptional items		7.5	12.2
Net Cash generated from Operating Activities (Total A)		**(262.6)**	**251.2**
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of fixed assets (including CWIP)		(71.4)	(334.6)
Proceeds from sale of fixed assets		-	(0.0)
Net Cash generated from Investing Activities (Total B)		**(71.4)**	**(334.6)**
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from Borrowings		246.0	107.7
Repayment of Borrowings		(21.5)	(30.0)
Repayment of Sales Tax Loan		(0.8)	(0.4)
Interest paid		(64.8)	(10.1)
Share application Money received.		177.0	-
Net Cash generated from Financing Activities (Total C)		**335.9**	**67.3**
D. NET INCREASE/DECREASE IN CASH EQUIVALENTS : (TOTAL A+B+C)		**1.9**	**(16.1)**
Opening balance of Cash and Cash Equivalents		7.9	24.0
Closing balance of Cash and Cash Equivalents		**10.0**	**7.9**

Notes:
1 Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 "Cash Flow Statement"
2 Figures in brackets indicate cash outflow.
3 Previous year's figures have been re-grouped / re-arranged, wherever necessary, to conform to current year's classification.
4 Amounts of ₹ 0.0 represents amount less than ₹100,000

Significant Accounting Policies and Accompanying notes forming integral part of the financial statements : Refer Notes 1 to 39

AS PER OUR ATTACHED REPORT OF EVEN DATE

For LODHA & COMPANY
Chartered Accountants

R.P.Baradiya
Partner

Place: Mumbai
Dated: 30th May 2012

For and on behalf of the Board of Directors

Subodh Maskara
Chairman

Marc Lopresto
Wholetime Director & CFO

Paresh Damania
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

NOTE '1'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

Overview

Incorporated in the state of Maharashtra in 1981, the Company was originally named Maskara Polytex Private Ltd. In 1994, it was converted into a public limited company. In July 1995, the name of the company was changed to Maskara Industries Ltd. Subsequently, on 25th June 2001 the name was again changed to Polygenta Technologies Limited.

The Company is in the business of environmentally beneficial, sustainable Polyester Filament Yarn (PFY), manufacturing primarily Drawn Texturised Yarn.

SIGNIFICANT ACCOUNTING POLICIES:

a) **Basis of Accounting:**

i) The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable Accounting Standard as specified in the Companies (Accounting Standards) Rules, 2006 ("the Rules") and the relevant provisions of the Companies Act, 1956, to the extent applicable.

ii) All expenses and income to the extent ascertainable with reasonable certainty are accounted for an accrual basis.

iii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle for the purpose of current - non current classification of assets and liabilities.

b) **Use of Estimates**

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP), which requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements, and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

c) **Revenue Recognition:**

i) Sales revenue is recognised on transfer of significant risks and rewards of ownership of the goods to the buyer, which is generally on despatch of goods /Bill of lading. Sales are inclusive of Excise Duty and are net of trade discounts and sales tax.

ii) Export incentives under the "Duty Entitlement Pass Book Scheme" are accounted for in the year of export.

iii) Revenues from the sale of consultancy projects are recognised as and when the advisory commitments are rendered as per the terms of the contract.

iv) Interest income is recognised on a time proportion basis.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

d) **Fixed Assets:**

Tangible Assets:

i) Fixed Assets are stated at cost less accumulated depreciation and impairment losses. The diminution, if any, in the book value of these assets is provided for in the year of such determination of diminution.

ii) Cost of acquisition comprises all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use. The cost of construction is composed of those constituent assets that relate directly to completion of specific fixed assets and those that are attributable to the construction activity in general and can be allocated to specific fixed assets up to the date such fixed assets are put to use.

Intangible Assets:

The Company capitalises software where it is reasonably estimated that the software has an enduring useful life.

e) **Capital Work in Progress:**

Capital work in progress represents all costs directly attributable and incurred for setting up new manufacturing and/or modifying existing manufacturing facility including pre-operative expenses for trial run and borrowing costs incurred prior to the date of commencement of commercial production.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the fixed asset is charged off to profit and loss account in the period in which they are incurred.

f) **Depreciation / Amortisation :**

i) Leasehold land premium is amortised over the period of lease.

ii) Depreciation is provided on Straight Line Method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.

iii) "Continuous process plant", as defined in Schedule XIV, has been considered on a technical assessment and depreciation provided accordingly.

iv) The capital expenditures incurred on any leasehold premise are amortised over the period of its lease.

g) **Impairment of Assets:**

In accordance with Accounting Standard AS28 on 'Impairment of Assets' issued and prescribed by Companies (Accounting Standards) Rules, 2006, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of such assets exceeds its recoverable amount. An impairment loss is recognised in the profit and loss account.

h) **Lease:**

i) Assets acquired under lease, in which the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability. Any leasehold land premium is amortised over the period of lease.

ii) Assets acquired under lease wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on an accrual basis.

i) <u>Inventories:</u>

i) Inventory of Finished Goods and Semi finished goods are valued at lower of cost and estimated net realisable value. Cost of finished goods and Work-in-process include conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of raw material, consumable and stores & spares and packing materials is computed on weighted average basis.

ii) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, defective and unserviceable stocks are duly provided for.

j) <u>Foreign Currency Transactions:</u>

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

- In other cases such differences are accumulated in a “Foreign currency monetary item translation difference account” and amortised to Statement of Profit & loss over the balance life of the long term monetary item, up to 31.03.2020

In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Gains or losses on cancellation/settlement of forward exchange contracts are recognised as income or expenses.

All other exchange differences are dealt with in the Statement of Profit & Loss.

k) <u>Employee Benefits:</u>

Liabilities in respect of employee benefits are dealt with as under:

i) The Company has a defined contribution plan for a Provident Fund at a percentage of salary / wages for eligible employees and the Company's contributions thereto are charged to the Profit & Loss Account.

ii) Gratuity: A contribution is made to the Trust administered by the Trustees and managed by ICICI Prudential for an amount actuarially valued at fiscal year-end.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

iii) The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of un-utilised leave balance is provided based on an actuarial valuation carried out by an independent actuary at the fiscal year-end and charged to the Profit & Loss account.

l) Borrowing Costs:

General and specific Borrowing Costs (including exchange differences) directly attributable to the acquisition, construction and production of a qualifying asset are capitalised as part of the cost of such asset up to date when such asset is ready for its intended use. Other borrowing costs are charged to the profit & loss account.

m) Taxation:

i) Income tax expense comprises current tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

ii) Provision for income tax is made on the basis of estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.

iii) The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

iv) Deferred tax assets are recognised only to the extent that there is virtual certainty that the assets can be realised in future. However, where there is un-absorbed depreciation or a carry-forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or up to reflect the amount that is reasonably / virtually certain to be realised.

v) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

n) Provisions, Contingent Liabilities and Contingent Assets:

i) Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.

ii) Contingent liabilities are disclosed by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

iii) Contingent Assets are neither recognised nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

2 SHARE CAPITAL

Particulars	As at 31-Mar-12	As at 31-Mar-11
Authorized		
Equity shares, of ₹10 each		
125,000,000 (Previous Year 125,000,000) equity shares of ₹10 each	1,250.0	1,250.0
Preference shares, of ₹10 each		
30,000,000 (Previous Year 30,000,000) preference shares of ₹10 each	300.0	300.0
Issued, Subscribed and Paid-Up		
122,655,765 (Previous Year 122,655,765) equity shares of ₹10 each fully paid-up	1,226.6	1,226.6

Details of Share holding

a) Shares held by Holding company and ultimate holding company and its associates	31-Mar-12		31-Mar-11	
	No. of shares	%	No. of shares	%
PerPETual Global Technologies Limited (formerly known as AlphaPET Ltd)	64,107,864	52.27%	64,107,864	52.27%
Aloe Environment Fund II	19,363,636	15.79%	19,363,636	15.79%
Green Investment Asia Sustainability Fund I	7,636,364	6.23%	7,636,364	6.23%
The Trustees, Polygenta Stock Option Trust	7,425,000	6.05%	7,425,000	6.05%
Total	**98,532,864**	**80.34%**	**98,532,864**	**80.34%**

b) Details of Share holding more than 5%	31-Mar-12		31-Mar-11	
	No. of shares	%	No. of shares	%
PerPETual Global Technologies Limited (formerly known as AlphaPET Ltd)	64,107,864	52.27%	64,107,864	52.27%
Aloe Environment Fund II	19,363,636	15.79%	19,363,636	15.79%
Green Investment Asia Sustainability Fund I	7,636,364	6.23%	7,636,364	6.23%
Less RPET Ltd.	13,649,983	11.13%	13,649,983	11.13%
The Trustees, Polygenta Stock Option Trust	7,425,000	6.05%	7,425,000	6.05%

c) Terms & Rights attached to equity shares

i) The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.

ii) The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

d) The reconciliation of the number of Equity shares outstanding and the amount of share capital is set out below:

Particulars	31-Mar-12		31-Mar-11	
	No. of shares	₹ in Millions	No. of shares	₹ in Millions
Number of shares at the beginning	122,655,765	1,226.6	1,942,918	19.5
Add: Conversion of Preference share into Equity shares	-	-	120,712,847	1,207.1
Number of shares at the end	**122,655,765**	**1,226.6**	**122,655,765**	**1,226.6**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

e) The reconciliation of the number of Preference shares outstanding and the amount of share capital is set out below:

Particulars	31-Mar-12		31-Mar-11	
	No. of shares	₹ in Millions	No. of shares	₹ in Millions
Number of shares at the beginning	Nil	Nil	120,712,847	1,207.1
Add: Shares issued during the year	-	-	-	-
Less : Conversion of Preference share into Equity shares	-	-	(120,712,847)	(1,207.1)
Number of shares at the end	**Nil**	**Nil**	**Nil**	**Nil**

f) The company has neither allotted shares pursuant to a contract without receiving cash, by way of bonus shares nor it has bought back shares during the immediately preceding five years from the date of balance sheet.

3 RESERVES AND SURPLUS

Particulars	As at 31-Mar-12	As at 31-Mar-11
Capital reserve		
Opening balance	-	2.5
Less: Transferred to current liabilities (on settled)	-	(2.5)
	-	-
Securities premium account		
Balance as at the beginning and the end of the year	25.7	25.7
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as at the beginning of the year	(2.2)	(37.4)
Add / (Less): Profit/(Loss) for the year from the Statement of Profit and Loss	(498.0)	35.2
Balance as at the end of the year	(500.2)	(2.2)
Total of Reserves and surplus	**(474.5)**	**23.4**

4 SHARE APPLICATION MONEY, PENDING ALLOTMENT

Particulars	As at 31-Mar-12	As at 31-Mar-11
Share Application money, pending allotment	177.0	-

At the Extra Ordinary General Meeting held on 21st April 2012; the Shareholders authorised the Board of Directors to make preferential issue upto 22.2 Million, 0% Compulsory Convertible Preference Shares (CCPS) of ₹10 each at a premium of ₹33 per CCPS to PerPETual global technologies Ltd (Holding Company) . The Company has received share application money for 41,16,253 CCPS upto 31 March 2012. The said CCPS will be allotted before 10th July 2012.The Company has sufficient authorised capital to allot the CCPS.

5 LONG TERM BORROWINGS

Particulars	As at 31-Mar-12	As at 31-Mar-11
Secured Borrowings		
External Commercial Borrowings	1,018.0	950.7
Total Long Term Borrowings	**1,018.0**	**950.7**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

5.1. Details of Security.

The said loan is secured by first charge by way of mortgage of land, buildings and tenements and immovable Plant & Machinery, both present and future at the Company's works at Nashik as also by way of hypothecation of the whole of the inventories and other movable assets of the Company including its movable Plant & Machinery, spares, tools and accessories both present and future.

5.2. Terms of Repayment of Loan

As rescheduled, the loan is repayable at variable intervals commencing from 15th January 2014 and ending at 15th January 2017.

Type of the Loan	Interest Rate	Terms of Repayment		
		0- 1 years	1-3 years	> 3 years
Secured Loan - External Commercial borrowings	Euribor+ 5%	Nil	407.2	610.8

6 SHORT TERM BORROWINGS

Particulars	As at 31-Mar-12	As at 31-Mar-11
I. Secured Short Term Borrowings		
From Banks (Repayable on demand)		
11.75% Project Loan from Standard Chartered Bank	289.0	289.0
11.75% Working capital Loan from Standard Chartered Bank	80.1	101.6
14.75% Working Capital loan from Ratnakar Bank Ltd	181.7	-
3.5% to 4% Buyer's Credit from Standard Chartered Bank	72.7	-
Total Short Term secured Borrowings	623.5	390.6
II. Unsecured Short Term Borrowings		
a) Loan/Advance from Related Parties		
Interest free loan From Director	5.0	4.7
b) From Others		
Interest free Sales Tax Loan	-	0.8
Total Short Term Unsecured Borrowings	5.0	5.5
Total Short Term Borrowings (I+II)	**628.5**	**396.1**

Additional information to Secured Short Term Borrowings:

I. Project loan, Working Capital loan and Buyers Credit from Standard Chartered Bank
The said loan is secured by second charge by way of mortgage of land, buildings and tenements and immovable Plant & Machinery, both present and future at the Company's works at Nashik as also by way of hypothecation of the whole of the inventories and other movable assets of the Company including its movable Plant & Machinery, spares, tools and accessories both present and future.

II. Working Capital Loan from Ratnakar Bank Ltd
The said loan is secured by first charge by way of mortgage of land, buildings and tenements and immovable Plant & Machinery, both present and future at the Company's works at Nashik as also by way of hypothecation of the whole of the inventories and other movable assets of the Company including its movable Plant & Machinery, spares, tools and accessories both present and future.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

7 TRADE PAYABLES

Particulars	As at	
	31-Mar-12	31-Mar-11
Due to Small & Micro Enterprises (Refer Note no. 30)	0.7	2.9
Other than Small & Micro Enterprises	86.7	214.5
Total of Trade Payables	**87.4**	**217.4**

8 OTHER CURRENT LIABILITIES

Particulars	As at	
	31-Mar-12	31-Mar-11
Advance From Customers:		
Holding Company	213.6	141.8
Others	9.5	1.0
Interest Accrued but not Due on ECB	144.0	70.0
Creditors for Capital expenditure	4.5	9.5
Withholding and other taxes payable	10.6	16.0
Other payables	9.4	15.4
Total Other Current Liabilities	**391.6**	**253.7**

9 SHORT-TERM PROVISIONS

Particulars	As at	
	31-Mar-12	31-Mar-11
Provision for employee benefits		
Gratuity	2.2	1.1
Leave Entitlement	3.5	3.1
Provision for		
Income taxes (Net of Advance Tax)	7.2	7.0
Wealth taxes	0.1	0.1
Total of Other Short Term Provisions	**13.0**	**11.3**

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

10 : FIXED ASSETS

₹ in million

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2011	Additions/ Adjustments	Deductions/ Adjustments	As at 31.03.2012	Up to 31.03.2011	For the Year	Deductions/ Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Freehold Land	1.1	-	-	1.1	-	-	-	-	1.1	1.1
Buildings *	434.1	4.9	-	439.0	21.8	13.7	-	35.5	403.5	412.3
Plant & Equipment *	2,043.4	63.5	-	2,106.9	97.1	111.4	-	208.5	1,898.4	1,946.3
Office Equipment	8.8	0.0	-	8.8	2.7	0.8	-	3.5	5.3	6.1
Furniture & Fixtures	11.5	0.3	-	11.8	2.8	0.7	-	3.5	8.3	8.7
Vehicles	11.4	-	-	11.4	2.7	1.1	-	3.8	7.6	8.7
Data Processing Equipment	7.3	0.2	-	7.5	1.0	1.2	-	2.2	5.3	6.4
Total for Tangible Assets (A)	**2,517.6**	**68.9**	**-**	**2,586.5**	**128.1**	**128.9**	**-**	**257.0**	**2,329.5**	**2,389.6**
Intangible Asset										
Softwares (Information Technology)	16.8	-	-	16.8	2.9	2.7	-	5.6	11.2	13.9
Total for Intangible Assets (B)	**16.8**	**-**	**-**	**16.8**	**2.9**	**2.7**	**-**	**5.6**	**11.2**	**13.9**
Total (A+B)	**2,534.4**	**68.9**	**-**	**2,603.3**	**131.0**	**131.6**	**-**	**262.6**	**2,340.7**	**2,403.5**
Previous Year	**355.0**	**2,190.7**	**11.3**	**2,534.5**	**98.9**	**40.4**	**8.4**	**131.0**	**2,403.5**	

* Additions during the year in Building and Plant & Equipment include Foreign Exchange Loss aggregating to ₹ 67.31 million (Previous year Nil).

10.1 : Capital Work-in-Progress comprises :

Particulars	For the year ended 31.03.2012	For the year ended 31.03.2011
Building under construction	9.9	-
Plant & Equipment under Installation	54.7	-
Other allocated expenses	5.2	-
Total of Capital Work in Progress	**69.8**	**-**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

11 DEFERRED TAX ASSETS (NET)

Particulars	As at	
	31-Mar-12	31-Mar-11
Deferred tax assets:		
Expenses allowed on payment basis	1.2	0.2
Accumulated Tax losses and unabsorbed depreciation	503.9	180.9
Provision for Doubtful Debts	0.1	-
	505.2	181.1
Deferred tax liabilities:		
Depreciation on Fixed Asset	263.7	84.5
	263.7	84.5
Less: Assets not recognised as a matter of prudence	144.9	-
Net Deferred Tax Assets	**96.6**	**96.6**

12 LONG TERM LOANS & ADVANCES

Particulars	As at	
	31-Mar-12	31-Mar-11
(Unsecured and considered good)		
Capital Advance	4.9	2.4
Deposits with Service & Material suppliers	1.4	1.3
Total of Long Term loans & Advances	**6.3**	**3.7**

13 OTHER NON-CURRENT ASSETS

Particulars	As at	
	31-Mar-12	31-Mar-11
Interest Accrued on Fixed Deposit	2.4	2.2
Total of Other Non Current Assets	**2.4**	**2.2**

14 INVENTORIES

Particulars	As at	
	31-Mar-12	31-Mar-11
Raw Materials (Includes Goods in transit ₹ Nil; (Previous Year ₹ 34.8 million)	57.4	103.3
Work-in-Progress	67.3	73.8
Finished Goods	71.7	63.3
Packing Materials	4.7	7.4
Consumables and Stores & Spares	52.2	32.4
Total of Inventories	**253.3**	**280.2**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

15 TRADE RECEIVABLES

Particulars	As at	
	31-Mar-12	31-Mar-11
Unsecured, considered good unless otherwise stated		
- Debts outstanding for a period exceeding six months		
- Considered Good	1.1	1.1
- Considered doubtful	0.4	-
	1.5	**1.1**
- Other debts	87.8	101.5
Less: Provision for doubtful debts	(0.4)	-
Total of Trade Receivable	**88.9**	**102.6**

16 CASH AND BANK BALANCES

Particulars	As at	
	31-Mar-12	31-Mar-11
- Cash & Cash Equivalents		
- Cash on hand	0.1	0.1
- Balances with banks-In current Accounts	9.9	7.8
- Other Bank Balances		
- Deposits with Banks- held as margin money with maturity more than 12 months	40.2	37.8
Total of Cash & Bank balances	**50.2**	**45.7**

17 SHORT-TERM LOANS AND ADVANCES

Particulars	As at	
	31-Mar-12	31-Mar-11
(Unsecured, Considered Good)		
Advances to suppliers	16.4	22.9
Input credit receivable - Excise and Service tax	113.7	94.5
Advances recoverable in cash or in kind or for value to be received	0.8	1.8
Total of short term Loans & Advances	**130.9**	**119.2**

18 OTHER CURRENT ASSETS

Particulars	As at	
	31-Mar-12	31-Mar-11
Prepaid Expenses	0.9	0.3
Export Incentive Receivable	4.9	1.1
VAT Refund receivable	7.2	15.4
Excise Refund Receivable	15.5	6.5
Fixed Asset held for Disposal	-	2.3
Total of Other current assets	**28.5**	**25.6**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

19 REVENUES FROM OPERATIONS

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
a) Sale of Products		
- Draw Texturised Yarn	1,132.4	413.2
- Partially Oriented Yarn	231.7	-
- PET Chips	154.1	41.9
- PET Flakes	0.8	39.8
- Oligomer	1.3	-
- PTA - Traded	17.1	-
- By-Products	23.5	-
- Excise duty recovered	156.3	44.0
- Less:-Discount Allowed	(12.2)	-
Total Sale of Products (Gross)	**1,705.0**	**538.9**
Less: Excise Duty Paid	(156.8)	(44.1)
Sale of Products (Net)	**1,548.2**	**494.8**
b) Export of Services - Consultancy projects	238.1	204.2
c) Other operating income:-		
- Export Incentives	11.8	3.5
- Scrap Sale	4.2	2.2
Total of Revenues from operations	**1,802.2**	**704.7**

20 OTHER INCOME

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Liabilities / Provision no longer required written back	4.9	3.1
Interest on Fixed Deposit	2.8	0.7
Miscellaneous Income	0.9	1.3
Total of other income	**8.6**	**5.1**

21 CHANGE IN THE INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Closing Stocks		
Finished goods	71.7	63.3
Work-in-Progress	67.3	73.8
Less:- Opening Stocks		
Finished goods	63.2	8.3
Work-in-Progress	73.8	-
Total change in the Inventories of finished goods and work in progress	**2.0**	**128.8**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

22 COST OF GOODS SOLD

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Consumption of Raw Materials	1,329.1	554.0
Consumption of Packing Materials	61.5	17.0
Consumption of Consumables & Spares	134.5	12.1
Purchase of PTA Traded	17.1	-
Total Cost of Goods Sold	**1,542.2**	**583.1**

23 POWER & FUEL COST

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Power & Fuel Cost	167.2	27.7
Fuel Cost	58.5	8.4
Total of Power & Fuel Cost	**225.7**	**36.1**

24 EMPLOYEES BENEFIT EXPENSES

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Salaries, Wages and bonus	131.0	36.2
Contribution to provident and other funds	5.2	2.7
Staff Welfare Expenses	1.8	1.6
Less:- Transferred to Capital Work in Progress	(4.6)	-
Total of Employee benefit Expenses	**133.4**	**40.5**

25 SELLING & DISTRIBUTION EXPENSES

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Commission to Sales Agents	20.9	7.2
Freight and Octroi	26.6	6.9
Total of Selling & Distribution Expenses	**47.5**	**14.1**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

26 OTHER EXPENSES

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Water Charges	0.4	0.4
Repairs and Maintenance:		
Building	1.2	0.7
Plant and Machinery	2.5	0.2
Others	1.5	0.8
Insurance	1.9	0.7
Travelling and Conveyance	15.1	4.4
Less:- Transferred to Capital Work in Progress	(0.6)	-
Website/Internet/ Software Expenses	0.9	1.2
Telephone Expenses	1.4	1.0
Vehicle Expenses	4.9	3.0
Rent	2.9	7.8
Rates & Taxes	3.7	1.4
Auditors' Remuneration:		
Audit Fees	0.5	0.9
Tax Audit Fees	0.1	0.2
Certification Fees	0.3	0.3
Out of pocket expenses / taxes	0.1	0.0
Legal & Professional fees	14.0	12.3
Provision for Bad Debts	0.4	-
Security Service Charges	3.4	2.2
Printing & Stationery	1.0	0.7
Computer/ IT Expenses	1.2	1.2
Loss on Scrapping of Fixed Assets	-	2.9
Machine Hire Charges	6.2	0.7
Miscellaneous Expenses	6.9	4.9
Total of other Expenses	**69.8**	**47.8**

27 FINANCE COSTS

Particulars	For the year ended	
	31-Mar-12	31-Mar-11
Interest on Debentures	-	3.8
Interest on ECB	68.2	11.7
Interest on short term borrowings	56.6	4.0
Other borrowing costs	14.0	0.5
Total of Finance Costs	**138.8**	**19.9**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

OTHER NOTES

28) a) Exceptional income of ₹ 7.5 million for the year ended 31st March 2012 resulted from the sale of its Murbad Unit which was under closure since January 2000.

b) Exceptional income of ₹ 12.2 million for the year ended 31st March 2011 resulted from the write- back of an inter-corporate deposit that had been outstanding for an extended duration.

29) Contingent liabilities and commitments

a) Contingent Liabilities:

(₹ in Millions)

Particulars	**As at 31-Mar-12**	**As at 31-Mar-11**
Estimated amount of claims against the company not acknowledged as debt in respect of:		
- Disputed Excise/Service Tax Demand	4.4	34.7
- Vendor Claims	0.9	0.9

b) Commitments:

i. Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances) is ₹11.1 million (previous year ₹ 28.7 million)

ii. The Company has an outstanding export obligation of ₹ 264 million (Previous Year ₹886.1 million) as at the close of period, against the import licenses taken for import of capital goods under Export Promotion Capital Goods [EPCG] Scheme. The expiry date for Export Obligation period is December 2016. With respect to its EPCG export obligation, the Company has also provided a bank guarantee to Custom Authorities backed by a ₹ 15.9 million (Previous year ₹15.9 million) fixed deposit.

30) Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Millions)

Sr. No.	**Particulars**	**As at 31-Mar-12**	**As at 31-Mar-11**
a)	Principal amount remaining unpaid	0.7	2.9
b)	Interest paid in terms of Section 16	-	-
c)	Interest due and payable for the period of delay in payment	-	-
d)	Interest accrued and remaining unpaid	-	0.1
e)	Interest due and payable even in succeeding years	-	-

The above information has been compiled in respect of parties to the extent to which it could be identified as Micro, Small, and Medium Enterprises. The disclosure is based on the information made available to the Company regarding the status of suppliers in relation to the "Micro, Small, and Medium Enterprise Development Act, 2006".

31) Related Party Transactions as per Accounting Standard -18:

Related parties where control exists.

Aloe Environment Fund II (Promoter)
PerPETual Technologies Ltd. (Promoter, Holding Company)
Green Investment Asia Sustainability Fund I (Promoter)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

Parties with whom transactions have been entered into during the year:

Associates & Fellow Subsidiaries
Polygenta Stock Option Trust (Associate)
AlphaBottle Ltd. (Fellow Subsidiary)

Key Management Personnel
Mr. Subodh Maskara - Managing Director upto 20-09-2010
Mr. Marc Lopresto - Wholetime director and CFO
Mr. Gerard De Nazelle - Chief Executive Officer

Enterprises where key managerial persons/directors, their relatives have significant influence
Maskara Filaments Private Limited
S. K. Maskara & Sons (HUF)

Details of transaction entered into during the year (₹ in millions)

Nature of Transaction	Related party where control exists	Key Management Personnel and enterprises where key managerial personas having significant influence	Total
Sale of Consultancy Projects Services - PerPETual Global Technologies Limited (Formerly known as AlphaPET Ltd)	**179.9** (208.2)	**-** (-)	**179.9** (208.2)
- AlphaBottle Ltd	**58.3** (-)	**-**	**58.3** (-)
Rent Paid - S. K. Maskara & Sons HUF	**-** (3.6)	**-** (-)	**-** (3.6)
Rent Received - Santosh Maskara	**-** (-)	**-** (0.0)	**-** (0.0)
Remuneration Paid - Subodh Maskara	**-** (-)	**-** (3.6)	**-** (3.6)
- Marc Lopresto	**-** (-)	**2.1** (1.1)	**2.1** (1.1)
- Gerard De Nazelle	**-** (-)	**3.8** (2.3)	**3.8** (2.3)
Initial contribution to Polygenta Stock Option Trust	**(-)** (0.0)	**-**	**(-)** (0.0)
Reimbursement of Expenses- - Received from PerPETual Global Technologies Limited (Formerly known as AlphaPET Ltd	**0.5** (4.2)	**-** **-**	**0.5** (4.2)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

Nature of Transaction	Related party where control exists	Key Management Personnel and enterprises where key managerial personas having significant influence	Total
Reimbursement of Expenses Paid			
Maskara Filaments Private Limited	**0.2** (-)	**-**	**0.2** (-)
S K Maskara & Sons (HUF)	**0.0** (-)	**-**	**0.0** (-)
Loan Repayment to Marc Lopresto	**(-)** (-)	**4.7** (-)	**4.7** (-)
Loan Received from Marc Lopresto		**5.0** (4.7)	**5.0** (4.7)
Advance Received from PerPETual Global Technologies Limited (Formerly known as AlphaPET Ltd)	213.6 (141.8)		213.6 (141.8)
Director's Sitting Fees to Subodh Maskara		**0.0** (-)	**0.0** (-)
Closing Balances:			
Loan Received			
- Marc Lopresto	(-)	5.0	5.0
Remuneration payable			
- Gerard De Nazelle	(-)	0.3	0.3
- Marc Lopresto	(-)	0.2	0.2
Reimbursement of Expenses			
- Receivable from PerPETual Global Technologies Limited (Formerly known as AlphaPET Ltd)	0.5		0.5
Advance Received			
–PerPETualGlobal Technologies Limited (Formerly known as AlphaPET Ltd)	213.6		213.6

Notes:

1. Previous year's figures are given in brackets.
2. Neither amount in respect of related parties have been written off/written back during the year, nor has any provision been made for doubtful debts / receivables.
3. Related party relationships are as identified by the management and relied upon by the auditors.
4. Figures in 0.00 represents amount less than ₹ 50,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

32) Deferred Tax Assets / Liabilities:

Deferred tax asset was recognised in Dec 2008 in accordance with Accounting Standard 22- "Accounting for Taxes on Income" issued by the Companies (Accounting Standards) Rules, 2006 as the management is confident that in view of the successful implementation of the PFY project, there will be sufficient future income against which the deferred tax assets will be fully realised. Further, as a matter of prudence, no further deferred tax asset is being recognised.

33) Foreign Exchange currency exposures not covered by derivatives instruments:

(₹ in millions)

Particulars	Currency Type	As at 31-03-2012 In Foreign Currency	As at 31-03-2012 In Indian Rupees	As at 31-03-2011 In Foreign Currency	As at 31-03-2011 In Indian Rupees
Trade Receivable	USD	0.2	9.0	0.1	2.4
Advance from Customers	EURO USD	1.9 1.1	128.9 53.5	2.5 0.0	141.8 1.5
Loan	Euro USD	15.0 1.4	1,018.0 72.7	15.0 -	950.7 -
Bank Account	Euro	0.0	0.6	-	-
Interest payable loan	Euro	2.1	144.0	1.1	70.0
Trade Payable	USD Euro	0.1 0.0	5.4 0.0	2.5 0.0	115.5 0.1
	CHF EUR	- 0.0	- 0.6	0.0 0.0	0.3 1.4
Advance to vendors	JPY USD	0.1 0.0	0.0 0.0	- 0.0	- 0.2

34) (a) In the opinion of the Board, all the assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

(b) The accounts of certain Trade Payables, Trade Receivables and Advances are subject to formal confirmations / reconciliations and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.

35) Basic and Diluted Earnings per Share as per AS- 20 is computed as under:

(₹ in millions)

Particulars	Apr11-Mar12	Apr 10-Mar11
Net Profit/(Loss) – Before Exceptional items	(505.5)	22.9
Net Profit/(Loss) – After Exceptional items	(498.0)	35.2
Weighted Average No. of Equity Shares	122,655,765	47,001,711
Nominal Value of Shares (₹)	10	10
Basic & Diluted Earnings per share – Before Exceptional items	(4.12)	0.49
Basic & Diluted Earnings per share – After Exceptional items	(4.06)	0.75

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

36) Employee Benefit Plans:

The disclosures in accordance with the requirements of the Accounting Standards are provided below:-

1. **Defined Contribution Plan:**
The Company has recognised Rs.5.1 million (Previous year Rs 2.6 million) as an expense towards its post employment defined contribution plan comprising of a provident fund, deposited with government authorities.

2. **Defined Benefit Plan:**
In accordance with Payment of Gratuity Act, 1972, the Company is required to provide post-employment benefits to its employee in the form of gratuities. The Company is contributing to the trust, administered by the Trustees and managed by ICICI Prudential, an amount actuarially valued at the year-end. In accordance with Accounting Standards, the disclosure relating to the Company's gratuity plan is given below:-

(₹ in millions)

Particulars	Apr 11-Mar 12	Apr 10-Mar 11
I Reconciliation of Opening and closing balances of Defined benefit Obligation		
- Defined Benefit obligation at beginning of the year	3.4	2.8
- Current Service Cost	1.4	1.5
- Past Service Cost	-	0.5
- Interest Cost	0.3	0.2
- Actuarial (Gain)/Loss	1.6	(0.6)
- Benefit paid	(2.2)	(1.0)
- Liability Transfer out	-	-
Defined Benefit obligation at year end	**4.5**	**3.4**
II Reconciliation of Opening and Closing balances of fair value of plan assets		
- Fair Value of plan asset at beginning of the year	2.3	3.1
- Expected return on plan assets	0.2	0.2
- Actuarial Gain/(Loss)	2.0	(0.0)
- Employer Contribution	-	-
- Benefits Paid	(2.2)	(1.0)
- Liability Transfer out	-	-
- Fair Value of plan asset at year end	2.3	2.3
Actual return on plan assets	**2.2**	**0.2**
III Expenses Recognised in Profit & loss account		
- Current Service Cost	1.3	1.5
- Past Service Cost	-	0.5
- Interest Cost	0.3	0.2
- Expected return on plan assets	(0.2)	(0.2)
- Actuarial Gain & Loss	(0.3)	(0.6)
Expenses recognised in Profit & loss account	**1.1**	**1.4**
IV Amount Recognised in the Balance Sheet		
- Defined benefit obligation as at end of the year	4.5	3.4
- Fair Value of plan assets at the end of the year	2.3	2.3
Net Liability / (Assets)	**2.2**	**1.1**
V Actual Return on plan Assets	2.2	0.2
- Expected return on plan assets	0.2	0.2
Actuarial gain/ (loss) on plan assets	**2.0**	**(0.0)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

Particulars	Apr 11-Mar 12	Apr 10-Mar 11
VI Principal actuarial assumptions		
- Discount rate	8.75%	8.25%
- Expected rate of return on plan assets	8.00%	8.00%
- Salary increment rate	6.00%	6.00%
VII Composition of plan assets		
- Central Government Securities	0%	0%
- State Government Securities	0%	0%
- Approved marketable securities	0%	0%
- Bonds/Debentures etc	0%	0%
- Insurer Managed Funds	100%	100%

Notes:

1. The liability recognised with respect to leave encashment/entitlement in the balance sheet as on 31st March 2012 is Rs.3.5 million (previous year Rs.3.1million).

37) Additional disclosures:

a) Production during the year:

Particulars	Actual Production (M.T.)	
	2011- 12	2010-11
PET Partially Oriented Yarn [b]	15,682.3	1,103.9
PET Draw Texturised Yarn	13,013.8	5,013.0
PET Polymer Chips (Bottle/ Fibre Grade)	2,580.0	669.9
Washed PET Flakes [c]	2,595.5	1,375.0
Oligomer [d]	2,545.1	-

[a] Since commercial operations began in March 2011; actual production for the previous year is not comparable.

[b] Includes 12,672.4 (Previous Year 814.3) MT for captive consumption

[c] Includes 2,168.5 (Previous year 610.0) MT for captive consumption

[d] Include 2,045.8 (Previous year Nil) MT for captive consumption

(b) Particulars in respect of Opening and Closing Stock of Finished Goods:

Particulars	2011-2012				2010-2011			
	Opening		Closing		Opening		Closing	
	Qty (MT)	₹ in Million	Qty (MT)	₹ in Million	Qty (MT)	₹ in Million	Qty (MT)	₹ in Million
PET Draw Texturised Yarn	536.0	55.0	698.9	66.5	Nil	Nil	536.0	55.0
PET Flakes	10.0	0.6	Nil	Nil	Nil	Nil	10.0	0.6
PET Chips	94.6	7.3	84.4	4.7	2.2	0.09	94.6	7.3
By- Products	-	0.4	-	0.5	Nil	Nil	-	0.4

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

(c) Particulars in respect of Sales:

Particulars	2011-2012		2010-2011	
	Qty.(MT)	₹in million	Qty.(MT)	₹in million
PET Chips	2,590.2	154.1	577.5	42.0
PET Flakes	14.5	0.8	755.0	39.8
Draw Texturised Yarn	12,850.3	1,120.2	4,477.1	408.3
Partially Oriented Yarn	2,944.9	231.7	24.3	2.1
Oligomer	603.0	1.3	-	-
Sale of Scrap	1,010.0	23.5	185.7	2.8
PTA Traded	299.6	17.1	-	-
Excise Duty Recovered	-	156.3	-	43.9
Total		**1,705.0**		**538.9**

(d) Raw Materials consumed:

Particulars	2011-2012		2010-2011	
	Qty.(MT)	₹in million	Qty.(MT)	₹in million
Mono Ethylene Glycol (MEG)	6,334.9	374.5	778.3	48.0
Purified Terephthalic Acid (PTA)	14,421.9	924.3	1,633.9	103.2
Partially Oriented Yarn	91.6	8.0	4,184.4	398.2
PET Bottles & Flakes	490.4	21.9	226.6	4.6
PET Chips	13.8	0.4	-	-
Total		**1,329.1**		**554.0**

(e) Value of Raw Material consumed:

Particulars	2011- 2012		2010- 2011	
	₹in million	%	₹in million	%
Imported	157.5	11.70%	103.2	18.63%
Indigenous	1,171.6	88.30%	450.8	81.37%
Total	**1,329.1**	**100.00%**	**554.0**	**100.00%**

(f) Expenditure in Foreign Currency:

(₹ in millions)

Particulars	Apr11-Mar12	Apr 10-Mar11
Travelling and other expenses	0.9	3.1
Interest	69.7	70.0
Commission	0.4	-
Technical & Professional Fees	0.4	0.4

(f) Expenditure in Foreign Currency:

(₹ in millions)

Particulars	Apr11-Mar12	Apr 10-Mar11
Export of goods on FOB Basis	154.5	56.1
Consultancy Advisory	238.1	204.2

(h) CIF Value of Imports:

(₹ in millions)

Particulars	Apr11-Mar12	Apr 10-Mar11
Capital Equipments	1.5	8.1
Raw Materials	157.5	160.4
Spares	1.8	0.4
Consumables	16.0	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in millions except as otherwise stated

38) Amount of exchange Difference (net) debited to statement of Profit & Loss for the year ended 31.03.2012 ₹29.2 millions (Previous year ₹30.0 millions).

39) (i) The financial statement have been prepared in accordance with revised schedule VI. The previous year's figures have been re-grouped and/or re-arranged wherever necessary to conform to the current year's presentation.

(ii) In view of commencement of commercial production on 01.03.2011, current year figures are not comparable with those of previous year.

SIGNATURES TO NOTES '1' TO '39'
For and On behalf of the Board

Subodh Maskara	**Marc Lopresto**	**Paresh Damania**
Chairman	Wholetime Director & CFO	Company Secretary

Place: Mumbai
Date: 30th May 2012

POLYGENTA TECHNOLOGIES LTD.
Regd. Office : B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai: 400093
Tele :022-61933333/61933309 • Fax :022-61933316
Email : companysecretary@polygenta.com • website: www.polygenta.com

14th August 2012

Dear Shareholder,

As you are aware the Ministry of Company Affairs has taken a “Green Initiative in the Corporate governance” by allowing paperless compliances by the Company. MCA has issued a Circular on 21st April 2011 stating that service of notice / documents by a company to its shareholders can now be made through electronic mode.

To support such noble initiative by MCA, your company proposes to send documents such as Notice of AGM, Audited Financial statements, Directors' Report, Auditors Report and all other statutory documents to the shareholders in Electronics form w.e.f 1st October 2011.

You are holding Company's share(s), but your email address is not available with us on records. Please let us know your email id by sending email to Khade@unisec.in and companysecretary@polygenta.com and giving the following details. You can also courier/fax the information at the registered office of the company.

Name of the Shareholder : ____

Address of the Shareholder : ____

Registered Folio No. : ____

No. of Shares held : ____

Email Id : ____

In case you are holding the shares in Demat form, please provide/update your email address with your Depository Participant (DP) as the company shall pick up the data from DP for the purpose of emailing the documents.

Please note that as a valued shareholder you are always entitled to request and receive free of cost a printed copy of the annual report of the Company and all other documents.

We solicit your support in helping the Company to implement the e-governance initiative of the Government.

Thanking you,
Yours faithfully,

Paresh Damania
Company secretary

POLYGENTA TECHNOLOGIES LIMITED

Regd. Office : B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai-400 093.

FORM OF PROXY

I/We ....

of ....

being a member(s) of the above named Company, hreby appoint ....

.... of ....

or failing him..

of ....

as my/our proxy to vote for me/us on my/our behalf at the 30th ANNUAL GENERAL MEETING of the Company to be held at B-302, Dipti Classic Premises, Suren Road, Andheri (E), Mumbai-400 093 on Wednesday, 26th September 2012 at 11.00 A.M and at any adjournment thereof.

Signed at .... (place) this ....day of 2012

Member Folio No. ....

No. of Shares held ....

Affix
Rs. 1/-
Revenue
Stamp

Important :

(a) Revenue Stamp of One Rupee is to be affixed on this form.
(b) The Form should be signed across the stamp as per specimen signature registered with the Company.
(c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company, not less that FORTY-EIGHT HOURS before the time fixed for holding the Meeting.
(d) A proxy need not be a Member.

POLYGENTA TECHNOLOGIES LIMITED

ATTENDANCE SLIP

Regd. Office : B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai-400 093.

To be handed over at the entrance of the Meeting Hall.

Name of the attending Member (in Block Letters)	Membership Folio Number
Name of Proxy (in Block Letters) (To be filled in, if the Proxy attends instead of the member)	Number of shares held

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the shareholders of the Company held on Wednesday, 26th September 2012 at 11.00 A.M . at the registered office of the Company at B-302, Dipti Classic Premises, Suren Road, Andheri(E), Mumbai-400 093.

Member's / Proxy's Signature
(to be signed at the time of handing over this slip)

To,

If undelivered, please return to :

Polygenta Technologies Limited

B-302, Dipti Classic Premises, Suren Road,

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