

# POLYGENTA TECHNOLOGIES LIMITED



Corporate Identification Number (CIN) - L17120MH1981PLC025388

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

Tel: +91 22 6193 3333 Fax: +91 22 6193 3316, E-mail: [companysecretary@polygenta.com](mailto:companysecretary@polygenta.com); Website: <http://www.polygenta.com>

## **REPORT OF THE BOARD OF DIRECTORS OF POLYGENTA TECHNOLOGIES LIMITED PURSUANT TO THE PROVISIONS OF SECTION 23(1)(a)(ii) READ WITH SECTION 23(1)(b) OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985, IN REGARD TO THE FACT OF EROSION OF THE PEAK NET WORTH OF THE COMPANY BY MORE THAN 50% BY ITS ACCUMULATED LOSSES AS PER THE AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014**

Dear Shareholders,

Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 ("The Act") provides that if the accumulated losses of an Industrial company as at the end of any financial year have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, the company shall within a period of 60 days from the date of finalization of the duly audited accounts of the company for the relevant financial year report the fact of such erosion to the Board for Industrial and Financial Reconstruction constituted under the Act ("the Board") and hold the General Meeting of the shareholders of the company for considering such erosion. The company is an Industrial company as defined in the said Act.

As you are aware that at the EGM held on 28th November 2013, the members were informed that as per the audited accounts at the end of the financial year as on 31st March 2013, the accumulated losses as on 31st March 2013 resulted in the erosion of peak net worth of preceding four years by more than 50%. The company filed the Reference (Form – C) with the Board.

Since, as per the audited accounts at the end of the financial year as on 31st March 2014, the accumulated losses amounted to ₹ 1,881 million, which has continued to result in the erosion of peak net worth of ₹ 2,201 million in the preceding four financial years by more than 50%, so the company is required to comply with provisions of the Act, hence, this report.

The reasons for the erosion of the net worth are given in the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business which is annexed to the notice of the Extraordinary General Meeting of the Members of the Company to be held at "Residency Hotel, Suren Road, (Near W.E. Highway Metro Station), Andheri (E), Mumbai - 400093" on 17th July, 2014, at 5.00 p.m.

Registered Office:  
B-302, Dipti Classic Premises  
Suren Road, Andheri (East)  
Mumbai 400093

By Order of the Board of Directors  
for **Polygenta Technologies Limited**

Paresh Damania  
Company Secretary

Dated: 17th June, 2014

## NOTICE

To  
The Members,

**NOTICE is hereby given that an Extraordinary General Meeting of the Members of the Company will be held at Residency Hotel, Suren Road, (Near W.E. Highway Metro Station), Andheri (E), Mumbai - 400093 on 17<sup>th</sup> July, 2014, at 5.00 p.m. to transact the following Special Business :**

**To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** in view of accumulated losses has arisen to ₹ 1881.3 million as against Paid-up Capital and Free Reserves of ₹ 2201.3 million as on 31.03.2014, there is erosion of more than 50% of the peak net worth of the Company in the immediately preceding four financial years by accumulated losses, as per the audited accounts of the company for the financial year ended 31 March 2014, as also the causes for such erosion be and are hereby considered, noted and / or approved, in compliance with the provisions of Section 23(1)(a)(ii) of the Act, and the fact be reported to the Board, New Delhi, by the Board of Directors of the Company or by any person duly authorised by it in this behalf, in accordance with the provisions of the Section 23(1)(a)(i) of the said Act".

**RESOLVED FURTHER THAT** the Board of Directors or any person duly authorised by it be and is hereby authorised to take all necessary steps for giving effect to the above Resolution.

**RESOLVED LASTLY THAT** a certified true copy of this resolution be forwarded to the Board for their information and necessary action, if any, in accordance with the provisions of the said Act."

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### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% (Ten Percent) of the total share capital of the Company. However, a person can act as a proxy of a member holding more than 10% (Ten Percent) of the total share capital of the Company and in such case the person cannot act as a proxy for any other person. Proxies submitted on behalf of limited companies must be supported by appropriate resolution / authority, as applicable. The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting.
- 2.** In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 3.** An explanatory statement, pursuant to Section 102 of the Companies Act, 2013, in respect of business is annexed hereto.
- 4. VOTING THROUGH ELECTRONIC MEANS:**

In compliance with section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their vote electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number “PTLPN9999E” in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the default number “123456” in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN (Please select EVSN – 140613012) selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN along with Company name on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 10th July, 2014 at 10.00 a.m. (IST) and ends on 12th July, 2014 at 6.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- 5. The voting right of the shareholders shall be in proportion to their shares in the paid up equity capital of the Company as on the cut-off date.
- 6. A copy of this notice is placed on the website of the Company and the website of CDSL.
- 7. Mr. A. Sekar, Practicing Company Secretary (Certificate of Practice Number 2450) has been appointed as scrutinizer for conducting the e-voting in fair and transparent manner.
- 8. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) Witnesses not in the employment of the Company and make a Scrutinizer Report of the Votes cast in favour or against , if any, forthwith to the chairman.
- 9. The result declared along with the Scrutinizer Report shall be placed on the Company's website - [www.polygenta.com](http://www.polygenta.com) and the website of CDSL within two (2) days of passing the resolutions at the AGM of the Company and communicated to BSE Ltd.

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

1. The Board of your Company has approved the audited accounts of the Company for the Financial Year ended 31st March, 2014 at their Meeting held on 26th May 2014 and the same are being adopted and / approved in the Annual General Meeting (AGM) held on scheduled on 17th July, 2014 at 3.00 p.m.
2. In terms of the above referred audited accounts of the Company, the accumulated losses for the relevant financial year as on 31st March, 2014 amounted to ₹ 1,881 million vis-a-vis the peak net worth of ₹ 2,201 million, being the peak net worth in the immediately preceding four financial years, which has resulted in the erosion of more than 50% of the peak net worth of ₹ 2,201 million.
3. By virtue of provision of Section 23(1) (a) (ii) read with section 23(1) (b) of the Sick Industrial Companies (Special Provisions) Act, 1985, the Board of Directors of the Company is required to report the fact of such erosion along with their report on the causes for such erosion to the shareholders of the Company after the Annual General Meeting, for consideration by the shareholders.
4. The Company is engaged primarily in the business of manufacturing and selling polyester filament yarn (PFY). In the last three years the losses amounted to ₹ 1879.2 million.

The recent losses have arisen due the following reasons:

- Unprecedented rise in the post-consumer / waste Pet bottle prices by 30-35% due to abnormal rains and significant depreciation of Indian currency.
- Gradual establishment of process parameter and quality standards for challenging applications in micro filament yarn made from 100% post consumer PET Bottles.
- Entry barriers in branded niche markets internationally, which has long lead time for testing, product performance, seasonality and reorders time.

It is normal for any company to streamline its operations and sales in its first year of operations for a new product i.e. 100% recycled PFY.

11. Your Board of Directors would like to inform that the Company is in process of undertaking remedial measures for improvement in performance and profitability of the company. The promoters have also infused funds as capital contribution to meet Working Capital requirements. Further, currently the company is in the advanced phase of discussion with major international branded customer for strategic sales & investment tie-up and getting new / repeat orders at EBITDA neutral prices.
6. In the meanwhile, you are requested to note and consider the fact of such erosion in the peak net worth in the immediately preceding four financial years by more than 50% by the Company's accumulated losses as also the causes for such erosion, at the meeting scheduled for this purpose.

The Board recommends consideration of the proposed resolution for your approval as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out.

The Board of Directors of the Company will make in due course of time a report of such erosion to the Board for Industrial & Financial Reconstruction in the prescribed Form "C", in compliance with the provision of Section 23(1)(a)(i) of the above referred Act.

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By Order of the Board of Directors  
for **Polygenta Technologies Limited**

Paresh Damania  
Company Secretary

Dated: 17th June, 2014



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## ATTENDANCE SLIP

(To be presented at the entrance)

### EXTRA ORDINARY GENERAL MEETING ON JULY 17, 2014 AT 5.00 P.M.

at Residency Hotel, Suren Road, (Near W.E. Highway Metro Station), Andheri (E), Mumbai – 400 093

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member / Proxyholder can attend the Meeting.
2. Member / Proxyholder should bring his/her copy of EGM Notice for reference at the Meeting

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## Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) : \_\_\_\_\_ Email Id : \_\_\_\_\_

Registered Address : \_\_\_\_\_ Folio No/ Client Id : \_\_\_\_\_

: \_\_\_\_\_ DP Id : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of Polygenta Technologies Limited, hereby appoint

1. Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature: \_\_\_\_\_

\_\_\_\_\_or failing him

2. Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature: \_\_\_\_\_

\_\_\_\_\_or failing him

3. Name : \_\_\_\_\_ Email Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature: \_\_\_\_\_

\_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the company, to be held on the Seventeenth day of July, 2014 at 5.00 p.m. at Residency Hotel, Suren Road, (Near W.E. Highway Metro Station), Andheri (E), Mumbai – 400 093 and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolution No.

1. \_\_\_\_\_

Signed this..... day of..... 2014

Signature of Shareholder .....

Signature of Proxyholder (s) .....

Affix  
Revenue  
Stamp of  
Rs. 1

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

