



**PEARL ENGINEERING POLYMERS LIMITED**

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**25<sup>TH</sup>**

**ANNUAL REPORT**

**2018-19**

**PEARL ENGINEERING POLYMERS LIMITED**  
**CIN: U25209PN1992PLC012701**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Harish Seth	Chairman & Managing Director
Mr. Ramesh Mehra	Non-Executive Independent Director
Mr. B.B. Mathur	Non-Executive Independent Director
Ms. Anupma Haldar	Non-Executive Independent Director
Mr. Ashok Kumar Aggarwal	Chief Financial Officer

**COMPANY SECRETARY**

Mr. Vineet Gupta  
(Resigned w.e.f.  
31.05.2019)

**REGISTERED OFFICE**

D-17, M.I.D.C Industrial Area, Kurkumbh, Tal: Daund  
District: Pune, Maharashtra- 413802  
Phone No.: 011-23442124  
Email Id: [pearl.secretarial@pearlmail.com](mailto:pearl.secretarial@pearlmail.com)  
Website: [www.peplindia.com](http://www.peplindia.com)

**REGISTRAR & SHARE TRANSFER AGENT**

Mas Services Limited  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
Phone No: 011-26387281-83  
Email Id: [info@masserv.com](mailto:info@masserv.com)

**AUDITORS**

Sehgal Mehta & Co., Chartered Accountants  
10173/2, Block No. 15, Abdul Aziz Road 13  
W.E.A Karol Bagh, New Delhi-110005

**25<sup>TH</sup> AGM**

**Date:** 30.09.2018

**Day:** Monday

**Time:** 11:30 AM

**Venue:** D-17, MIDC Industrial Area,  
Kurkumbh, Tal: Daund, District-Pune,

## NOTICE

NOTICE is hereby given that the 25th (Twenty Fifth) Annual General Meeting of Pearl Engineering Polymers Limited will be held on **Monday, the 30th day of September, 2019 at 11.30 A.M** at the Registered Office of the Company at D-17, MIDC Industrial Area, Kurkumbh, Taluk Daund Dist. Pune-413802, Maharashtra, to transact the following business:-

### **Ordinary Business**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harish Seth (DIN: 00002948), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Sehgal Mehta & Co., Chartered Accountants on their expiration of the term as Statutory Auditors for further period of five consecutive years and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby appoints M/s. Sehgal Mehta & Co., Chartered Accountants (Firm Registration No.: 003330N), as the Statutory Auditors of the Company for a second term of 5 (Five) consecutive years i.e. from the conclusion of this Annual General Meeting till the completion of 5 consecutive years at such remuneration as may be decided by the Board in consultation with the Statutory Auditors of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

### **Special Business**

4. **Re-appointment of Mr. Ramesh Mehra (DIN: 00003334) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013, the rules made thereunder read with schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company and performance evaluation, Mr. Ramesh Mehra (DIN: 00003334), who was appointed as Independent Director for a term of five consecutive years and whose term of office expires on September 29, 2019 and being eligible and in respect of whom the Company has received a notice under section 160 of the Companies Act, 2013 be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from September 30, 2019 up to September 29, 2024.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 197 other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Ramesh Mehra be paid such sitting fees as the Board may approve from time to time and subject to the limits as may be prescribed from time to time by or under the Companies Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

**5. Alteration of Memorandum of Association of the Company thereby adopting new set of Memorandum of Association of the Company in accordance with the provisions of Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with rules made there under and Schedule I to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to adopt new set of Memorandum of Association pursuant to the Act, primarily based on the Form of Table A under the Act, in substitution of the existing Memorandum of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolution.”

**6. Alteration of Articles of Association of the Company thereby adopting new set of Articles of Association of the Company in accordance with the provisions of Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with rules made there under and Schedule I to the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to adopt new set of Articles of Association pursuant to the Act, primarily based on the Form of Table F under the Act, in substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolution.”

**Place: New Delhi**  
**Date: 29th June, 2019**

**Registered Office:**  
D-17, M.I.D.C. Industrial Area  
Kurkumbh, Taluk Daund, Dist.  
Pune-413 802, Maharashtra

By order of the Board  
Sd/-  
**Harish Seth**  
**Chairman and Managing Director**  
**DIN: 00002948**

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM 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.**

Proxies, in order to be valid and effective, must be delivered at the registered office of the Company not later than 48 hours before the commencement of the meeting.

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Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of Companies, must be supported by an appropriate resolution/authority as applicable.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of this notice.
4. In terms of Section 152 of the Companies Act, 2013, Mr. Harish Seth (DIN: 00002948) Director, is liable to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. Brief profile, information and relevant details, in respect of Directors seeking appointment/reappointment at this AGM is annexed hereto.
5. Members/proxies are requested to bring their duly filled attendance slip annexed hereto, to attend the AGM mentioning therein details of their DP and Client ID/ Folio No.
6. In case of joint holders attending the AGM, only such joint holder whose name stands first or higher on the Register of Members shall be entitled to vote.
7. As an austerity measure, copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their copy of Annual Report to the meeting.
8. All documents referred to in the notice will be available for inspection at the Company's registered office during normal business hours on all working days (except Saturdays and Sundays) upto the date of AGM.
9. All correspondence relating to change of address, transfer/ transmission of shares, issue of duplicate share certificates, consolidation of folios, bank mandates and all other matters relating to the shareholding in the Company may be made to MAS Services Ltd., the registrar and share transfer agent ("RTA"). The Members holding shares in dematerialized form may send such communication to their respective Depository Participants ("DP's").
10. The Government & the Securities Market Regulator mandated the dematerialization of shares of all the public companies for effecting transfer of shares. No transfer can be affected of physical shares. So, in view of this, you are hereby requested to apply for dematerialization of the shares.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive)**.
12. The Members whose names appear on the Company's Register of Members as on **Monday, September 23, 2019** ("cut-off date") will be eligible to attend and vote at the AGM.
13. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH-13 duly filled in to the Company / RTA / DP's.
14. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including Annual Reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in dematerialised form may send such communication to their respective DP's and those holding shares in physical form may send such communication to the Company/ RTA. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity.
15. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules framed thereunder, the Annual Report for financial year 2018-19 and the Notice of the AGM, inter-alia indicating the process and manner

of remote e-voting along with the attendance slip, proxy form and Route Map are being sent by e-mail to those Members who have registered their e-mail ID either with the Company/RTA or with the DP's unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for financial year 2018-19 and the Notice of the AGM, inter-alia, indicating the process and manner of remote e-voting along with the attendance slip, proxy form and Route Map, is being sent in the permitted mode.

### 16. VOTING THROUGH ELECTRONIC MEANS

- I. Pursuant to the provisions of Section 108 of the Act read with relevant rules, the Company has provided its members the facility to exercise their right to vote, on all the resolutions set forth in the Notice of 25<sup>th</sup> AGM of the Company, by electronic means through the remote e-voting. The Company has engaged the services of National Securities Depository Limited (NSDL) for this purpose. The remote e-voting facility is available at the link <https://www.evoting.nsdl.com>.

- II. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	<b>Friday, September 27, 2019 at 09.00 A.M.</b>
End of remote e-voting	<b>Sunday, September 29, 2019 at 05.00 P.M.</b>

The cut-off date (i.e. the record date) for the purpose of remote e-voting is **Monday, September 23, 2019** (end of day). The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialised form, as on the cut-off date are entitled to cast their votes on the resolutions set forth in this Notice.

In addition, the facility for voting by use of 'Ballot Paper' shall also be made available at the AGM, for all those members who are present at the AGM but have not cast their votes by remote e-voting.

### III. Procedure for Remote E-voting:

The details and instructions for remote e-voting form an integral part of the Notice convening the 25<sup>th</sup> AGM to be held on September 30, 2019. The members desirous to vote through remote e-voting are requested to refer to the detailed procedure given below:

- i) Open the PDF file '**PEPL remote e-voting.pdf**' attached to the email (applicable to the shareholders who have received the Annual Report and other attachments via e-mail), using your Client Id/ Folio No. as password. The PDF file contains your User Id and Password for remote e-voting. Please note that the password provided in PDF file is 'Initial Password'.
- ii) Launch internet browser and open <https://www.evoting.nsdl.com/>
- iii) Click on Shareholder – Login.
- iv) If you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password/PIN for casting your vote.
- v) If you are logging in for the first time, please enter the 'User Id' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- vi) Password change menu will appear. Change the 'Initial Password' with a new Password of your choice with minimum 8 digits/characters or combination thereof. Note the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) Home page of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.
- viii) Select 'EVEN' of '**PEARL ENGINEERING POLYMERS LIMITED**'.
- ix) Now you are ready for remote e-voting as 'Cast Vote' page opens.

- x) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- xi) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- xii) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [pcsabhishekgupta@gmail.com](mailto:pcsabhishekgupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### IV. General Instructions:

- (a) During the remote e-voting period, members of the Company, holding shares either in physical or dematerialized form as on the cut-off date i.e. **Monday, September 23, 2019** (end of day), may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (b) Login to e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- (c) Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the shareholder.
- (d) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for members available at the downloads sections of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Ms. Pallavi Mhatre on toll free no.: 1800-222-990.
- (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (f) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Monday, September 23, 2019** (end of day).
- (g) Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, i.e. **Monday, September 23, 2019** (end of day), may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company's Registrar - Mas Services Limited at [info@masserv.com](mailto:info@masserv.com).

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

*Note: If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

**Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.**

- (h) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (i) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- (j) The Company has appointed Mr. Abhishek Gupta, Practicing Company Secretary (Fellow Membership No. 9857 & C.P. No. 12262) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - (k) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of 'Ballot Paper' for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
  - (l) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make available, not later than 3 days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - (m) The result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.peplindia.com](http://www.peplindia.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
17. Members can inspect the Register of director and Key Managerial Personnel and their shareholding, required to be maintained under Section 170 of the Act during the course of the meeting at the venue.
18. Members holding shares in physical form either in multiple folios with identical names or joint holdings in the same order are requested to send their Share Certificates to the Company or M/s MAS Services Limited, Registrar and Share Transfer Agent of the Company for consolidation into a single folio.
19. The Company's shares are admitted in both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for custody and dematerialization of securities. Members can avail of the depository facilities by approaching any of the Depository Participants (DPs) of NSDL or CDSL or by approaching the RTA of the Company.
20. The shareholders are requested to send their queries on annual report to the Company, not less than 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.

## **EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4**

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, Mr. Ramesh Mehra was appointed as Independent Director of the Company at the 20th Annual General Meeting of the Company to hold office for 5 years upto 29th September, 2019. His office comes to an end on 29th September, 2019. The Nomination and Remuneration Committee on the basis of performance evaluation, has recommended his re-appointment as Independent Director of the Company. On the basis of recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has decided to re appoint Mr. Ramesh Mehra as Independent Director of the Company for further period of 5 consecutive years w.e.f. 30th September, 2019, subject to the approval of the members of the company in the Annual General Meeting. The Company has received a notice in writing under Section 160 proposing his candidature for the office of Independent Director of the Company.

The appointee is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director alongwith a declaration to the effect that he meets the criteria of Independence as provided under section 149(6) of the Act.

Keeping in view the vast experience and knowledge of Mr. Ramesh Mehra, it will be in the interest of the Company that Mr. Ramesh Mehra is appointed as Independent Director.



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Further Mr. Ramesh Mehra is not related to any Director and/or KMP of the Company.

No remuneration was drawn by him during his previous term as Independent Director.

In view of above, the Board of Directors of your company has recommended this resolution for your approval.

No director, Key Managerial Personnel or their relatives, except Mr. Ramesh Mehra to whom the resolution relate is concerned or interested, financially or otherwise, in the resolution set out at Item no. 4 of this Notice.

## **Brief Profile of the Directors retiring by rotation/ seeking re-appointment**

S.No	Particulars	Details	
1	Name of the Director	Mr. Ramesh Mehra	Mr. Harish Seth
2	DIN	00003334	00002948
3	Date of Birth	February 18, 1950	October 27, 1945
4	Brief profile/ Nature of Expertise	<p>Mr. Ramesh Mehra holds the degree in B.Sc. Engineering (Electrical) from Regional Engineering College, Rourkela and L.L.B. from Govt. College Kota.</p> <p>He has over 40 years of rich experience in commercial production, sales administration, account and personnel in industrial and manufacturing concerns. He also underwent onsite training in Japan during initial assignments. His knowledge and expertise in various fields will benefit the company in an indispensable manner.</p>	<p>Mr. Harish Seth is a chemical Engineer from IIT (Madras) and M.Tech from U.S.A. He has a rich experience of 45 years in the field of polymers. In addition he is one of the promoters of the Company. Having specialization in the field ideally suited to the nature of the Industry, he has enormously contributed towards best interests of the Company.</p>
6	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Mr. Ramesh Mehra holds Directorship and memberships of committees of the Board in M/s Pearl Polymers Limited and M/s Pearl Apartments Limited.	NIL
7	Number of Equity Shares held in the Company	NIL	1713560

## **ITEM NO.5**

### **Alteration of Memorandum of Association of the Company thereby adopting new set of Memorandum of Association of the Company in accordance with the provisions of Companies Act, 2013.**

The existing Memorandum of Association (MOA) of the Company is based on the Erstwhile Companies Act, 1956 and several clauses / regulations in the existing MOA contain references to specific sections of the Companies Act, 1956 which are no longer in force.

Pursuant to the notification of the Companies Act, 2013, several regulations of the existing MOA of the Company require alteration or deletion. It is therefore, proposed to replace the existing MOA with the new set of MOA in conformity with Table A of Schedule I of the Companies Act, 2013. The revised set of MOA shall be placed at the meeting and also available for the inspection at the Registered Office of the Company during business hours on all working days.

Pursuant to the provisions of Section 13 of Companies Act, 2013, consent of the members by way of Special Resolution is required in this regard to give effect to the proposed alteration. Hence, the Board recommends the Special Resolution set forth in aforesaid item of the notice for approval of the members.

None of the Directors and/or KMP of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

## **ITEM NO.6**

### **Alteration of Articles of Association of the Company thereby adopting new set of Articles of Association of the Company in accordance with the provisions of Companies Act, 2013.**

The existing Articles of Association (AOA) of the Company is based on the Erstwhile Companies Act, 1956 and several articles / regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 which are no longer in force.

Pursuant to the notification of the Companies Act, 2013, several articles/regulations of the existing AOA of the Company require alteration or deletion. It is therefore, proposed to replace the existing AOA with the new set of AOA in conformity with Table F of Schedule I of the Companies Act, 2013. The revised set of AOA shall be placed at the meeting and also available for the inspection at the Registered Office of the Company during business hours on all working days.

Pursuant to the provisions of Section 14 of Companies Act, 2013, consent of the members by way of Special Resolution is required in this regard to give effect to the proposed alteration. Hence, the Board recommends the Special Resolution set forth in aforesaid item of the notice for approval of the members.

None of the Directors of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding in the Company.

**Date: August 13, 2018**

**Place: New Delhi**

**Registered Office:**

D-17, M.I.D.C. Industrial Area

Kurkumbh, Taluk Daund, Dist.

Pune-413802, Maharashtra

**By order of the Board**

**Sd/-**

**Harish Seth**

**Managing Director**

**DIN: 00002948**

# PEARL ENGINEERING POLYMERS LIMITED

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## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 25th Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended March 31, 2019 is tabulated below:

Particulars	(Amount in Rupees)	
	For Financial Year 2018-19	For Financial Year 2017-18
Revenue from Operation	-	-
Other Income	69,822,518	810,134
<b>Total Revenue</b>	<b>69,822,518</b>	<b>810,134</b>
Total Expenditure	9,954,987	14,067,490
<b>Profit/(Loss) before Exceptional Items and Tax</b>	<b>59,867,531</b>	<b>(13,257,356)</b>
Exceptional Items (Income/(Exps))	-	-
<b>Profit/(Loss) before Tax</b>	<b>59,867,531</b>	<b>(13,257,356)</b>
Tax expense	-	-
<b>Net Profit/ (Loss) for the period</b>	<b>59,867,531</b>	<b>(13,257,356)</b>

In view of abnormal market conditions & volatility in addition to financial liquidity constraints, the Company had discontinued its manufacturing activity in February 2013.

### DIVIDEND

The Company has not recommended any amount for payment as dividend.

### MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

### SHARE CAPITAL

The Company's Capital Structure remains unchanged during the financial year 2018-19.

### STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY

Since the Company had discontinued its manufacturing activity in February 2013 due to financial problems, there was no significant development during the year under review affecting the affairs of the Company.

### SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31<sup>st</sup> March, 2019, the Company does not have any subsidiary, associate or any Joint Venture company. Accordingly, the disclosure required under section 129 of the Companies Act, 2013 read with rules made there under in Form AOC-1 is not applicable to your Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) Re-appointment of Mr. Harish Seth

During the year under review, Mr. Harish Seth, Chairman and Managing Director, whose term of office was expired on 18th October, 2018 and who has attained the age above 70 years is re-appointed as Chairman and Managing Director for a period of 5 (five) years w.e.f 19th October, 2018 by special resolution passed thru postal ballot including e-voting.

### b) Director Liable to Retire by Rotation

In terms of the provisions of Section 152(6) of the Act, Mr. Harish Seth (DIN 00002948), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

### c) Changes in Key Managerial Personnel

During the year under review, based on the recommendation of Nomination and Remuneration Committee, Mr. Ashok Kumar Aggarwal was appointed as Chief Financial Officer of the Company by the Board of Directors w.e.f 25<sup>th</sup> March, 2019.

### d) Declaration by Independent Directors and Resignation of Mr. Brijesh Bansilal Mathur as Independent Director

All the Independent Directors have submitted their disclosures to the Board as per Section 149(7) that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and meets the criteria of Independence so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Further, during the year under review, Mr. Brijesh Bansilal Mathur has resigned as Independent Director of the Company w.e.f. 28<sup>th</sup> February, 2019.

## PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013.

The evaluation framework for assessing the performance of Directors including independent directors comprised of criteria like contribution in Board process, time devoted for the Company, attendance of Board Meetings and Committee Meetings and commitment to shareholder and other stakeholder interests. Using appropriate criteria, the performance of the various Committees was separately evaluated by the Board.

A meeting of the Independent Directors was also held, to review the performance of the Non-Independent Director, the Board as a whole and the Chairperson on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

### Nomination and Remuneration Policy

Your Company has adopted a Nomination and Remuneration Policy as required by Section 178 of the Companies Act, 2013, which provides for the appointment/selection of Directors, Key Managerial Personnel & other employees and their remuneration including criteria for determining qualifications, positive attributes, independence of a director etc. Your Company affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. The details of such policy can be viewed on the Company's website [www.peplindia.com](http://www.peplindia.com).

## RISK MANAGEMENT POLICY

Your Company has developed and implemented Risk Management Policy which provides for the identification of elements of Risk, if any, which may threaten the existence of the Company and various other things. The details of such policy can be viewed on the Company's website [www.peplindia.com](http://www.peplindia.com).

## AUDITORS & AUDITORS' REPORT

### I. Statutory Auditors

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s Sehgal Mehta & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the twentieth annual general meeting (AGM) of the Company held on September 30, 2014 till the conclusion of the twenty fifth AGM to be held in the year 2019. As their tenure as Statutory Auditors expires at the ensuing Annual General Meeting of the company, it is proposed to re-appoint M/s Sehgal Mehta & Co. as Statutory Auditors of the Company for second term of 5 consecutive years in the Annual General Meeting commencing from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the financial year ending on 31st March 2024.

### CLARIFICATION TO REMARKS CONTAINED IN THE STATUTORY AUDITORS REPORT

**Clause 2 (d) & (e) of the Statutory Auditors Report:** As per the legal opinion given by the legal advisors of the Company, the Foreign Financial Institution (AFIC) or its Assignee, cannot enforce any outstanding against the Company in any court of law despite existence of debt, as the same has become a time barred debt under the provisions of the Limitations Act, 1963, based on the said opinion of the advisors.

**Clause 2 (d) of the Statutory Auditors Report :** No provision has been made for interest, in respect of the foreign currency loan of Rs.161924 thousands; and

**Clause 2 (e) of the Statutory Auditors Report:** The outstanding by way of secured and unsecured loan and interest aggregating to Rs.161924 thousands thereon (shown as an "Erstwhile loan barred by limitation" in the Balance Sheet of the Company for the financial year ended March 31, 2018) have not been reinstated, as required under Accounting Standard (AS11) on the effects of changes in foreign exchange rates notified in the Companies (Accounting Standards) Rule 2006.

### II. Secretarial Auditor

As the provisions contained under the Companies Act, 2013 regarding appointment of Secretarial Auditor are not applicable to your Company, the company was not required to appoint secretarial auditor for the Financial Year 2018-19.

### III. Compliance with the Institute of Company Secretaries of India ("ICSI") Secretarial Standards:

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General meeting have been complied with by the Company.

## COMMITTEES OF THE BOARD

There are three committees constituted in accordance with the provisions of Companies Act, 2013 to perform the roles and duties required to be performed under the Companies Act, 2013:

- a. Audit Committee
- b. Stakeholders Relationship Committee

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## c. Nomination & Remuneration Committee

### COMPOSITION OF COMMITTEES AND ATTENDANCE OF THE MEMBERS

The Composition of Audit Committee is given below:

Name of the Members	Chairman/Member	Category of Director	No. of Meetings	Attendance
Mr. B. B. Mathur	Chairman	Non- Executive & Independent Director	3	3
Mr. Ramesh Mehra	Member	Non- Executive & Independent Director	3	3
Ms. Anupama Halder	Member	Non- Executive & Independent Director	-	-
Mr. Harish Seth	Member	Chairman & Managing Director	3	3

The Composition of Nomination & Remuneration Committee is given below:

Name of the Members	Chairman/Member	Category of Director	No. of Meetings	Attendance
Mr. B. B. Mathur	Chairman	Non- Executive & Independent Director	2	1
Mr. Ramesh Mehra	Member	Non- Executive & Independent Director	2	1
Ms. Anupama Halder	Member	Non- Executive & Independent Director	2	1
Mr. Harish Seth	Member	Chairman & Managing Director	2	2

The Composition of Stakeholder Relationship Committee is given below:

Name of the Members	Chairman/Member	Category of Director	No. of Meetings	Attendance
Mr. B. B. Mathur	Chairman	Non- Executive & Independent Director	4	3
Mr. Ramesh Mehra	Member	Non- Executive & Independent Director	4	3
Ms. Anupama Halder	Member	Non- Executive & Independent Director	4	1
Mr. Harish Seth	Member	Chairman & Managing Director	4	4

**Ms. Anupama Halder became the member of the Committees w.e.f 17<sup>th</sup> September, 2019 and attended the committee meetings thereafter, accordingly.**

### MEETINGS OF THE BOARD

The Board met Six (6) times during the financial year 2018-2019. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

Date of Board Meeting	Harish Seth	Ramesh Mehra	BB Mathur	Anupama Haldar
30.05.2018	Present	Present	Present	LOA
27.07.2018	Present	LOA	LOA	Present

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13.08.2018	Present	Present	Present	LOA
17.09.2018	Present	Present	Present	Present
10.01.2019	Present	LOA	LOA	Present
22.03.2019	Present	LOA	Resigned before the meeting	Present

## COMPOSITION OF BOARD

The Board comprises of one Executive Director designated as Chairman & Managing Director and rest are non executive Independent Directors.

Name of the Director	DIN	Designation	Whether attended AGM held on 25.09.2018
Mr. Harish Seth	00002948	Chairman & Managing Director	No
Mr. B. B. Mathur	00004452	Non Executive Independent Director	No
Mr. Ramesh Mehra	00003334	Non Executive Independent Director	Yes
Ms. Anupma Haldar	07170733	Non Executive Independent Director	No

## GENERAL MEETING

### ANNUAL GENERAL MEETING

The 24<sup>th</sup> Annual General Meeting of the Company was held on September 25, 2018.

### INDEPENDENT DIRECTORS MEETINGS

In line with the Companies Act, 2013 separate Meeting of Independent Directors was held during the year, without the presence of Non independent Directors and the Management of the Company.

### Tenure of Independent Directors

The tenure of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not made any loan, given any guarantee or provided any security to any person in violation of provisions of Section 186 of the Companies Act, 2013.

However, the details of Investments made and Loan given by the Company in compliance with the provisions of Companies Act, 2013 are contained in Note No. 05 and 06 of the Notes to the Financial Statements.

### RELATED PARTY TRANSACTIONS:

During the year your company has not entered into related party transactions (RPTs) that would have attracted the provisions of section 188 of Companies Act, 2013 and rules made thereunder.

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Accordingly, the disclosure required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company. Further, the details regarding the related party transactions other than those covered under section 188 of the Companies Act are contained in note no. 31 of the Notes to Financial Statements.

## **PUBLIC DEPOSITS:**

During the period under review, the Company has not accepted any deposits in contravention of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has an Internal Control Framework which is commensurate with the size, scale and complexity of its operations. This framework ensures adequate safeguards and processes to address the evolving business requirements.

## **EXTRACT OF ANNUAL RETURN:**

The extract of Annual Return as provided under sub-section (3) of section 92 of the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report as **Annexure I** and also placed on the Company's website at [www.peplindia.com](http://www.peplindia.com).

## **CORPORATE SOCIAL RESPONSIBILITY**

During the year, your Company was not required to constitute a Corporate Social Responsibility Committee as it did not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it was not required to formulate policy on corporate social responsibility.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for that period;
- c) 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;
- d) the directors have not been prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **REGULATORY ORDERS**

During the year, the Equity Shares of the Company had been compulsorily delisted by the BSE w.e.f May 11, 2018, pursuant to which, the Exit Offer is given by the Promoters of the Company to all the public shareholders of the Company.



## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since your Company has ceased its operations, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts), Rules, 2014 is not applicable to the Company.

There were no foreign exchange earnings or outgo during the year.

## **PARTICULARS OF EMPLOYEES**

During the year, there was no employee in the Company except the Key Managerial Personnel of the Company.

## **MAINTENANCE OF COST RECORDS**

As your Company does not fall within the ambit of sub-section (1) of section 148 of the Companies Act, 2013, the Company was not required to maintain the cost records.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT), 2013**

Since the Company had discontinued its operations & business activities and there was no female employee in the employment during the year, your Company was not required to make a policy on prevention of Sexual Harassment.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their gratitude for the assistance and cooperation received from the shareholders, Banks and other authorities for their consistent support and cooperation to the Company during the year under review.

**On Behalf of the Board of Directors**

**Place: New Delhi**  
**Date: June 29, 2019**

**Sd/-**  
**Harish Seth**  
**Chairman & Managing Director**  
**DIN : 00002948**

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## ANNEXURE-I Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION & OTHER DETAILS:

S No.	Particulars	Details
1.	CIN	U25209PN1992PLC012701
2.	Registration Date	14/07/1992
3.	Name of the Company	Pearl Engineering Polymers Limited
4.	Category/Sub-category of the Company	Company limited by shares/Non-govt. company
5.	Address of the Registered office & contact details	D-17, M.I.D.C Industrial Area, Kurkumbh, Taluk Daund, Distt. Pune-413802, Contact No. 011-23442124
6.	Whether Listed Company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent	<b>MAS SERVICES LIMITED</b> T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi -110020 Ph: 011-26387281/82/83, Fax: 011-26387384 Email: <a href="mailto:info@masserv.com">info@masserv.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company: Not Applicable

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3628840	0	3628840	11.93	3628840	0	3628840	11.93	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	10870226	0	10870226	35.74	10870226	0	10870226	35.74	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00

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<b>Sub Total (A)(1):</b>	<b>14499066</b>	<b>0</b>	<b>14499066</b>	<b>47.67</b>	<b>14499066</b>	<b>0</b>	<b>14499066</b>	<b>47.67</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>14499066</b>	<b>0</b>	<b>14499066</b>	<b>47.67</b>	<b>14499066</b>	<b>0</b>	<b>14499066</b>	<b>47.67</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds	0	5000	5000	0.02	0	5000	5000	0.02	0.00
b) Banks / FI	7440	10320	17760	0.06	0	10320	10320	0.03	(0.03)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>7440</b>	<b>15320</b>	<b>22760</b>	<b>0.08</b>	<b>0</b>	<b>15320</b>	<b>15320</b>	<b>0.05</b>	<b>(0.03)</b>
<b>2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	2304990	34840	2339830	7.69	4211906	34840	4246746	13.96	6.27
ii) Overseas	12800	0	12800	0.04	12800	0	12800	0.04	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4407087	1888147	6295234	20.70	1872587	4356741	6229328	20.48	(0.22)

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ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4652472	24000	4676472	15.38	2854252	24000	2878252	9.46	(5.92)
<b>c) Others (specify)</b>									
Non Resident Indians/ Overseas Corporate Bodies	654459	1844000	2498459	8.21	657299	1844000	2501299	8.23	0.02
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	67939	0	67939	0.22	29749	0	29749	0.10	(0.12)
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>12099907</b>	<b>3790987</b>	<b>15890894</b>	<b>52.25</b>	<b>9638593</b>	<b>6259581</b>	<b>15898174</b>	<b>52.28</b>	<b>0.03</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12107187</b>	<b>3806307</b>	<b>15913494</b>	<b>52.33</b>	<b>9638593</b>	<b>6274901</b>	<b>15913494</b>	<b>52.33</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>26606253</b>	<b>3806307</b>	<b>30412560</b>	<b>100.00</b>	<b>24137659</b>	<b>6274901</b>	<b>30412560</b>	<b>100.00</b>	<b>0.00</b>

## b) Shareholding of Promoters-

S. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Chand Seth	169400	0.56	0.00	169400	0.56	0.00	0.00
2.	Mrs. Suneeta Seth	50120	0.16	0.00	50120	0.16	0.00	0.00
3.	Mr. Nakul Seth	80	0.00	0.00	80	0.00	0.00	0.00
4.	Mr. Udit Seth	41000	0.13	0.00	41000	0.13	0.00	0.00
5.	Mr. Mahesh K Seth	57560	0.19	0.00	57560	0.19	0.00	0.00
6.	Mr. Harish Seth	1713560	5.63	0.00	1713560	5.63	0.00	0.00
7.	Mr. Krishen Seth	1591000	5.23	0.00	1591000	5.23	0.00	0.00
8.	Mrs. Nidhi Choudhari	80	0.00	0.00	80	0.00	0.00	0.00
9.	Mr. Arjun Seth	80	0.00	0.00	80	0.00	0.00	0.00
10.	Mr. Varun Seth	80	0.00	0.00	80	0.00	0.00	0.00
11.	Mrs. Madhu Seth	200	0.00	0.00	200	0.00	0.00	0.00

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12.	Mr. Amit Seth	5680	0.02	0.00	5680	0.02	0.00	0.00
13.	Pacific Pearl Finance & Leasing Ltd	2615906	8.60	0.00	2615906	8.60	0.00	0.00
14.	Pearl Polymers Ltd	5492960	18.06	0.00	5492960	18.06	0.00	0.00
15.	Pearl Telefonics Ltd	2509160	8.25	0.00	2509160	8.25	0.00	0.00
16.	Beta Finance And Trading Pvt. Ltd	17720	0.06	0.00	17720	0.06	0.00	0.00
17.	Gama Investments Pvt. Ltd	680	0.00	0.00	680	0.00	0.00	0.00
18.	Theta Investment Pvt. Ltd	53800	0.18	0.00	53800	0.18	0.00	0.00
19.	Pearl International Tours & Travels Ltd	180000	0.59	0.00	180000	0.59	0.00	0.00
<b>TOTAL</b>		<b>14499066</b>	<b>47.67</b>	<b>0.00</b>	<b>14499066</b>	<b>47.67</b>	<b>0.00</b>	<b>0.00</b>

## c) Change in Promoter's Shareholding

S.No	Name of the shareholder	Shareholding		Cumulative Shareholding during the year (from 01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Chand Seth</b>				
	At the beginning of the year	169400	0.56	169400	0.56
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	169400	0.56
	<b>At the End of the year</b>			<b>169400</b>	<b>0.56</b>
<b>2.</b>	<b>Mrs. Suneeta Seth</b>				
	At the beginning of the year	50120	0.16	50120	0.16
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	50120	0.16
	<b>At the End of the year</b>			<b>50120</b>	<b>0.16</b>
<b>3.</b>	<b>Mr. Nakul Seth</b>				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	80	0.00
	<b>At the End of the year</b>			<b>80</b>	<b>0.00</b>
<b>4.</b>	<b>Mr. Udit Seth</b>				
	At the beginning of the year	41000	0.13	41000	0.13
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	41000	0.13
	<b>At the End of the year</b>			<b>41000</b>	<b>0.13</b>
<b>5.</b>	<b>Mr. Mahesh K Seth</b>				
	At the beginning of the year	57560	0.19	57560	0.19
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	57560	0.19
	<b>At the End of the year</b>			<b>57560</b>	<b>0.19</b>
<b>6.</b>	<b>Mr. Harish Seth</b>				
	At the beginning of the year	1713560	5.63	1713560	5.63

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	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	1713560	5.63
	<b>At the End of the year</b>			<b>1713560</b>	<b>5.63</b>
<b>7.</b>	<b>Mr. Krishen Seth</b>				
	At the beginning of the year	1591000	5.23	1591000	5.23
	Increase in shareholding due to transfer of shares on July 29, 2015	-	-	1591000	5.23
	<b>At the End of the year</b>			<b>1591000</b>	<b>5.23</b>
<b>8.</b>	<b>Mrs. Nidhi Choudhari</b>				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	80	0.00
	<b>At the End of the year</b>			<b>80</b>	<b>0.00</b>
<b>9.</b>	<b>Mr. Arjun Seth</b>				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	80	0.00
	<b>At the End of the year</b>			<b>80</b>	<b>0.00</b>
<b>10.</b>	<b>Mr. Varun Seth</b>				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	80	0.00
	<b>At the End of the year</b>			<b>80</b>	<b>0.00</b>
<b>11.</b>	<b>Mrs. Madhu Seth</b>				
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	200	0.00
	<b>At the End of the year</b>			<b>200</b>	<b>0.00</b>
<b>12.</b>	<b>Mr. Amit Seth</b>				
	At the beginning of the year	5680	0.02	5680	0.02
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	5680	0.02
	<b>At the End of the year</b>			<b>5680</b>	<b>0.02</b>
<b>13.</b>	<b>Pacific Pearl Finance &amp; Leasing Ltd</b>				
	At the beginning of the year	2615906	8.60	2615906	8.60
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	2615906	8.60
	<b>At the End of the year</b>			<b>2615906</b>	<b>8.60</b>
<b>14.</b>	<b>Pearl Polymers Limited</b>				
	At the beginning of the year	5492960	18.06	5492960	18.06
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	5492960	18.06
	<b>At the End of the year</b>			<b>5492960</b>	<b>18.06</b>
<b>15.</b>	<b>Pearl Telefonics Limited</b>				
	At the beginning of the year	2509160	8.25	2509160	8.25
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	2509160	8.25

# PEARL ENGINEERING POLYMERS LIMITED

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	the year				
	<b>At the End of the year</b>			<b>2509160</b>	<b>8.25</b>
<b>16.</b>	<b>Beta Finance And Trading Private Limited</b>				
	At the beginning of the year	17720	0.06	17720	0.06
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	17720	0.06
	<b>At the End of the year</b>			<b>17720</b>	<b>0.06</b>
<b>17.</b>	<b>Gama Investments Private Limited</b>				
	At the beginning of the year	680	0.00	680	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	680	0.00
	<b>At the End of the year</b>			<b>680</b>	<b>0.00</b>
<b>18.</b>	<b>Theta Investment Private Limited</b>				
	At the beginning of the year	53800	0.18	53800	0.18
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	53800	0.18
	<b>At the End of the year</b>			<b>53800</b>	<b>0.18</b>
<b>19.</b>	<b>Pearl International Tours &amp; Travels Limited</b>				
	At the beginning of the year	180000	0.59	180000	0.59
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	180000	0.59
	<b>At the End of the year</b>			<b>180000</b>	<b>0.59</b>

**d) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. no	Name of Shareholders	Shareholding		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>1.</b>	<b>Pearl Engineering Polymers Ltd.- (Exit Offer)-Operated by-MAS Services Ltd.</b>				
	At the beginning of the year	-	-	-	-
	Purchased on 23.11.2018	720	0.00	720	0.00
	Purchased on 30.11.2018	76680	0.25	77400	0.25
	Purchased on 07.12.2018	1795519	5.90	1872919	6.15
	Purchased on 14.12.2018	19044	0.06	1891963	6.21
	Purchased on 21.12.2018	1162100	3.82	3054063	10.03
	Purchased on 31.12.2018	4520	0.01	3058583	10.04
	Purchased on 11.01.2019	2200	0.01	3060783	10.05
	Purchased on 18.01.2019	8560	0.03	3069343	10.08
	Purchased on 22.02.2019	40	0.00	3069383	10.08
	Purchased on 15.03.2019	10000	0.03	3079383	10.11
	<b>At the End of the year</b>	-	-	<b>3079383</b>	<b>10.11</b>
<b>2.</b>	<b>Anand Fashions International LLC</b>				
	At the beginning of the year	1600000	5.26	1600000	5.26
	Date wise Increase / Decrease in Shareholding during the year	-	-	1600000	5.26

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	<b>At the End of the year</b>			<b>1600000</b>	<b>5.26</b>
<b>3.</b>	<b>Interstar Financial Services Limited</b>				
	At the beginning of the year	802478	2.64	802478	2.64
	Date wise Increase / Decrease in Shareholding during the year	-	-	802478	2.64
	<b>At the End of the year</b>			<b>802478</b>	<b>2.64</b>
<b>4.</b>	<b>Dinesh Chandra Kothari</b>				
	At the beginning of the year	515539	1.70	515539	1.70
	Date wise Increase / Decrease in Shareholding during the year	-	-	515539	1.70
	<b>At the End of the year</b>			<b>515539</b>	<b>1.70</b>
<b>5.</b>	<b>Subramanian P</b>				
	At the beginning of the year	339980	1.12	339980	1.12
	Date wise Increase / Decrease in Shareholding during the year	-	-	339980	1.12
	<b>At the End of the year</b>			<b>339980</b>	<b>1.12</b>
<b>6.</b>	<b>Ashok Sugla</b>				
	At the beginning of the year	217826	0.72	217826	0.72
	Date wise Increase / Decrease in Shareholding during the year	-	-	217826	0.72
	<b>At the End of the year</b>			<b>217826</b>	<b>0.72</b>
<b>7.</b>	<b>Prem Trupti Builders and Developers Pvt. Ltd.</b>				
	At the beginning of the year	186808	0.61	186808	0.61
	Date wise Increase / Decrease in Shareholding during the year	-	-	186808	0.61
	<b>At the End of the year</b>			<b>186808</b>	<b>0.61</b>
<b>8.</b>	<b>Saroj Devi Tekriwal</b>				
	At the beginning of the year	150000	0.50	150000	0.50
	Date wise Increase / Decrease in Shareholding during the year	-	-	150000	0.50
	<b>At the End of the year</b>			<b>150000</b>	<b>0.50</b>
<b>9.</b>	<b>Bajrang Mangal</b>				
	At the beginning of the year	132867	0.44	132867	0.44
	Date wise Increase / Decrease in Shareholding during the year	-	-	132867	0.44
	<b>At the End of the year</b>			<b>132867</b>	<b>0.44</b>
<b>10.</b>	<b>Narayan Padasery Menon</b>				
	At the beginning of the year	126204	0.42	126204	0.42
	Date wise Increase / Decrease in Shareholding during the year	-	-	126204	0.42
	<b>At the End of the year</b>			<b>126204</b>	<b>0.42</b>

e) Shareholding of Directors and Key Managerial Personnel:

S No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company



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<b>1.</b>	<b>Mr. Harish Seth</b>				
	At the beginning of the year	1713560	5.63	1713560	5.63
	Date wise Increase / Decrease in Shareholding during the year	-	-	1713560	5.63
	<b>At the end of the year</b>			<b>1713560</b>	<b>5.63</b>

**Note:**

1. Mr. Ramesh Mehra is joint holder with his wife who is holding 1760 nos. of shares in the company, which is within the limits as prescribed under the Companies Act, 2013.
2. Apart from above, none of the Directors and/or KMP holds any share in the Company.

**B) INDEBTEDNESS**

Indebtedness of the Company including interest Outstanding/Accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	20,00,000	-	20,00,000
-Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	20,00,000	-	20,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>20,00,000</b>	-	<b>20,00,000</b>

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

- i. Remuneration to Managing Director, Whole-time Directors and/or Manager- NIL
- ii. Remuneration to other Directors- NIL

However, Mr. BB Mathur was paid sitting fees of Rs.15000/- and Ms. Anupama Halder was paid sitting fees of Rs. 9000/- during the year.

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## iii. Remuneration To Key Managerial Personnel other than MD/Manager/WTD-

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Vineet Gupta (Company Secretary)
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,46,250/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others,	-
5.	Others, please specify	-
	<b>Total</b>	4,46,250/-

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The members of**  
**M/s Pearl Engineering Polymers Limited.**  
**D-17, MIDC Industrial Area, Kurkumbh, Taluk Daund**  
**District-Pune, Maharashtra-413802**

### **Opinion**

We have audited the accompanying financial statements of **M/S Pearl Engineering Polymers Limited. (“the Company”)**, which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Companies Act, 2013 (“the Act”) in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Contingent liabilities and provisions (refer note 30 to the financial statements)**

<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Provisions and contingent liability disclosures may arise from direct and indirect tax proceedings, legal proceedings, including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims.</p> <p>At 31 March 2019, the Company’s contingent liabilities are disclosed in note 32 to the financial statements.</p> <p>Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering whether, and how much to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the highly complex nature and magnitude of the legal matters involved along with the fact that resolution of tax and</p>	<p>Our audit procedures on contingent liabilities and provisions included the following:</p> <ul style="list-style-type: none"> <li>• Obtained the outstanding litigations list as compared to the previous year. Enquired and obtained explanations for movement in litigations during the year.</li> <li>• Inquired with management regarding the status of significant litigations and claims including obtaining legal teams views on the likely outcome of each litigation and claim and the magnitude of potential exposure.</li> <li>• Examined the Company’s legal expenses and read the minutes of Board meetings, to evaluate the completeness of list of the open litigations.</li> </ul>

<p>legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. Management recognises a provision when it has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle obligation. A contingent liability is recognised if there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p> <p>These estimates could change substantially over time as new facts emerge and as each legal case progresses.</p> <p>Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Read the latest correspondences between the Company and tax/legal authorities and reviewed legal opinions obtained by management where applicable, for significant matters and considered the same in evaluating the appropriateness of the Company's provisions or disclosures on such matters.</li> <li>• With respect to tax matters, we involved tax specialists to evaluate the significant cases and the technical grounds for Management's conclusions on provisions or disclosure of contingent liabilities.</li> <li>• For non-tax matters, we evaluated Management's decisions and rationale for provisions established or disclosures made for contingent liabilities.</li> </ul>
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## Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) **Provision has not been made for interest after September 3rd, 2009, in respect of foreign currency loan of Rs. 161924 thousands, on the basis of legal advice obtained by the company that the loan has become barred by limitation. In the absence of the evidence as to confirmation and /or settlement of the liability, we are unable to form an opinion on the claim of the company, that the above loan of Rs. 161924 thousands from a foreign financial institution cannot be enforced. Further the effect on Profit/Loss of the Company cannot be quantified in view of the uncertainties about repayment obligation of the Company.**
- e) **Foreign Currency Loan and Interest Liability provided in the books have not been reinstated as at March 31st, 2013 as provided by Accounting Standards (AS) - 11, "The effects on the Changes in Foreign Exchange Rates", on the basis of legal advice obtained by the company that the loan has become barred by limitation. In the absence of the evidence as to confirmation and/or settlement of the liability, we are unable to form an opinion on the claim of the company that the loan cannot be enforced. Further, the effect on Profit/Loss of the Company cannot be quantified in view of the uncertainties about repayment obligation of the Company.**
- f) In our opinion, the aforesaid financial statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- g) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) The company has discontinued its manufacturing activity and has disposed off Plant Machinery, Spares, Factory Building, Office Equipment and Furniture & Fixture. The Company is exploring the option for sale and disposal of its remaining movable and immovable assets. Immovable assets. The accumulated losses of the Company are more than 50% of its net worth. In view of abnormal market conditions & price volatility, in addition to financial liquidity constraints, the Company had discontinued its manufacturing activity since February 2013. Due to this, the company is not viewed as a going concern.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No.30 to the financial statements).
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi

Date: 29.06.2019

**For Sehgal Mehta & Co.**

**Chartered Accountants  
FRN-003330N**

**(CA Naresh Khanna)  
Partner  
M.No. 081482**

## Annexure - A to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pearl Polymers Limited of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **M/s Pearl Engineering Polymers Limited ("the Company")** as of 31<sup>st</sup> March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

Date: 29.06.2019

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

## Annexure - B to the Auditors' Report

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:**

- i) (a) The Company has dismantled the main plant and has disposed off the entire Plant and Machinery (including stores and spares). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii) There are no inventories in the company.
- iii) As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanation give to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loan, investments, guarantee and security, as applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi) As explained to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities such as engaged in the production of goods or providing services by the Company.
- vii) (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable except the cases as listed below:-

S. No.	Particulars	Amount(Rs.)
1.	Income Tax Payable	27,967.00
2.	Excise Duty Payable	22,35,084.00
	Total	22,63,051.00

- (b) According to the information and explanations given to us, the dues of sales tax, income tax, excise duty and Cess

# PEARL ENGINEERING POLYMERS LIMITED

Annual Report 2018-19

that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below:-

Name of the Statute	Nature of the Dues	Amount (`In 'thousands	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Custom Duty Demand on Technical Know-how Fee	36,812.00	1993-1994	CESTAT
The Central Excise Act, 1944	Custom Duty	3,103.00	1994-1995	CESTAT

- viii) According to the information and explanations given to us, and the records of the companies examined by us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks.
- ix) The Company has 'not raised any money by way of initial public offer or further public offer Order is not applicable.
- x) Based upon our audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi  
Date: 29.06.2019

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**(CA Naresh Khanna)**  
**Partner**  
**M.No. 081482**

# PEARL ENGINEERING POLYMERS LIMITED

Annual Report 2018-19

## BALANCE SHEET AS AT 31ST MARCH 2019

	PARTICULARS	Note No.	As at	As at
			31st March 2019	31st March 2018
			(Rs.)	(Rs.)
	1	2	3	4
<b>I</b>	<b>ASSETS</b>			
	<b>1 Non-current assets</b>			
(a)	Property, Plant & Equipment	2	4,854,824	1,919,998
(b)	Investment Property	3	11,924,619	11,924,619
(c)	Other Intangible Assets	4	-	8,651
(d)	Financial Assets			
(i)	Investments	5	25,000,000	-
(ii)	Loans	6	36,186,015	1,186,015
(iii)	Other Financial Assets	7	660,795	150,899
(e)	Other Non-Current Assets	8	552,146	552,146
	<b>Sub total Non Current Assets</b>		<b>79,178,399</b>	<b>15,742,328</b>
	<b>2 Current assets</b>			
(a)	Financial Assets			
(i)	Trade Receivables	9	-	-
(iii)	Cash and Cash Equivalents	10	3,969,297	12,847,260
(b)	Current Tax Assets (Net)	11	1,523,157	485,817
(c)	Other Current Assets	12	283,247	2,767,074
	<b>Sub total Current Assets</b>		<b>5,775,701</b>	<b>16,100,151</b>
	<b>TOTAL ASSETS</b>		<b>84,954,100</b>	<b>31,842,478</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1 Equity</b>			
(a)	Equity Share Capital	13	304,125,600	304,125,600
(b)	Other Equity	14	(461,263,386)	(521,130,917)
	<b>Sub Total Equity</b>		<b>(157,137,786)</b>	<b>(217,005,317)</b>
	<b>2 ERSTWHILE LOAN BARRED BY LIMITATION</b>	15	161,923,901	161,923,901
	<b>3 Current liabilities</b>			
(a)	Financial Liability			
(i)	Borrowings	16	2,000,000	-
(ii)	Trade Payables	17	138,500	153,531
(iii)	Other Financial Liabilities	18	70,600,000	70,600,000
(b)	Other Current Liabilities	19	7,429,485	16,170,363
	<b>Sub total Current Liability</b>		<b>80,167,985</b>	<b>86,923,894</b>
	<b>TOTAL EQUITY AND LIABILITY</b>		<b>84,954,100</b>	<b>31,842,478</b>

**Significant Accounting Policies**

The accompanying notes are an integral part of the financial statements  
As per our report of even date

1

2-34

For and on behalf of the board of directors

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

HARISH SETH  
Chairman & Managing Director  
DIN No.- 00002948

RAMESH MEHRA  
Director  
DIN No.- 00003334

Naresh Khanna  
Partner  
M.No 081482

Place: New Delhi  
Date : 29th June 2019

Place: New Delhi  
Date : 29th June 2019

Place: New Delhi  
Date : 29th June 2019

Ashok Agarwal  
Chief Finance Officer (CFO)

Place: New Delhi  
Date : 29th June 2019

# PEARL ENGINEERING POLYMERS LIMITED

Annual Report 2018-19

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019

	<u>PARTICULARS</u>	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
			(Rs.)	(Rs.)
	1	2	3	4
1	Revenue from Operations	20	-	-
2	Other Income	21	69,822,518	810,134
3	<b>Total Income (1+2)</b>		<b>69,822,518</b>	<b>810,134</b>
4	<b>Expenses</b>			
	(i) Cost of Materials Sold/Consumed	22	-	-
	(ii) Purchase of stock in trade	23	-	-
	(iii) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	-	-
	(iv) Employees Benefits Expnese	25	453,882	260,496
	(v) Finance Costs	26	6,570	383
	(vi) Depreciation and Amortization Expense	27	438,242	2,340,103
	(vii) Other Expenses	28	9,056,293	11,466,508
	<b>Total Expenses (4)</b>		<b>9,954,987</b>	<b>14,067,490</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>		<b>59,867,531</b>	<b>(13,257,356)</b>
6	Exceptional Items			
7	<b>Profit/(loss) before tax (5-6)</b>		<b>59,867,531</b>	<b>(13,257,356)</b>
8	<b>Tax Expenses:</b>			
	(i) Current Tax		-	-
	(ii) Deferred Tax		-	-
9	<b>Profit (Loss) for the period from continuing operations (7-8)</b>		<b>59,867,531</b>	<b>(13,257,356)</b>
10	Profit/(loss) from discontinued operations		-	-
11	Tax expense of discontinued operations		-	-
12	<b>Profit/(loss) from Discontinued operations (after tax) (10-11)</b>		<b>-</b>	<b>-</b>
13	<b>Profit/(loss) for the period (9+12)</b>		<b>59,867,531</b>	<b>(13,257,356)</b>
14	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
15	<b>Total Comprehensive Income for the period (13+14) (Comprising Profit Loss) and Other Comprehensive Income for the period)</b>		<b>59,867,531</b>	<b>(13,257,356)</b>
16	<b>Earnings per equity share (for continuing operation):</b>			
	(i) Basic		1.97	-0.44
	(ii) Diluted		1.97	-0.44
17	<b>Earnings per equity share (for discontinued operation):</b>			
	(i) Basic		0.00	0.00
	(ii) Diluted		0.00	0.00
18	<b>Earnings per equity share (for discontinued &amp; continuing operation):</b>	29		
	(i) Basic		1.97	-0.44
	(ii) Diluted		1.97	-0.44

**Significant Accounting Policies** 1

The accompanying notes are an integral part of the financial statements  
As per our report of even date

2-34 For and on behalf of the board of directors

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

HARISH SETH  
Chairman & Managing Director  
DIN No.- 00002948

RAMESH MEHRA  
Director  
DIN No.- 00003334

Naresh Khanna  
Partner  
M.No 081482

Place: New Delhi  
Date : 29th June 2019

Place: New Delhi  
Date : 29th June 2019

Place: New Delhi  
Date : 29th June 2019

Ashok Agarwal  
Chief Finance Officer (CFO)

Place: New Delhi  
Date : 29th June 2019

# PEARL ENGINEERING POLYMERS LIMITED

Annual Report 2018-19

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	For the year Ended March 31, 2019 (Rs.)	For the year Ended March 31, 2018 (Rs.)
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax	59,867,531	(13,257,356)
Adjustments for :		
Depreciation/Amortisation	438,242	2,340,103
Interest Expense	6,570	383
Interest Income	(2,808,112)	(23,419)
(Profit)/loss on sale of assets	(67,014,295)	
(Profit)/loss on sale of Shares/Investment		(506,830)
<b>Operating profit before working capital changes</b>	<b>(9,510,066)</b>	<b>(11,447,119)</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Other Receivables	936,591	(2,514,793)
- Increase/(Decrease) in Trade and Other Payables	(8,755,909)	12,918,382
<b>Cash generated from operations</b>	<b>(17,329,384)</b>	<b>(1,043,530)</b>
- Taxes (Paid) / Received	-	-
<b>Net cash from operating activities (a)</b>	<b>(17,329,384)</b>	<b>(1,043,530)</b>
<b>B. Cash flow from Investing activities:</b>		
Additions during the period	(5,000,000)	
Proceeds from Sale of fixed assets	68,649,879	
Purchase of Investment	(25,000,000)	
Sale of Investment		11,109,456
Interest Received (Revenue)	2,808,112	23,419
<b>Net cash used in investing activities (b)</b>	<b>41,457,991</b>	<b>11,132,875</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from Long Term Borrowings	2,000,000	
Loan and advances given	(35,000,000)	
Interest Paid	(6,570)	(383)
<b>Net cash used in financing activities (c)</b>	<b>(33,006,570)</b>	<b>(383)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>(8,877,962)</b>	<b>10,088,962</b>
<b>Cash and cash equivalents in the opening</b>	<b>12,847,260</b>	<b>2,758,297</b>
<b>Cash and cash equivalents in the end</b>	<b>3,969,297</b>	<b>12,847,260</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand	423,893	30,022
Balance with Scheduled Banks	3,545,404	12,817,238
	<b>3,969,297</b>	<b>12,847,260</b>

### Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 notified in the Companies (Accounting Standard) Rules, 2006.
- 2 Figures in brackets indicate cash outgo.
- 3 Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

Naresh Khanna  
Partner  
M.No 081482

Place: New Delhi  
Date : 29th June 2019

For and on behalf of the board of directors

HARISH SETH  
Chairman & Managing Director  
DIN No.- 00002948

Place: New Delhi  
Date : 29th June 2019

RAMESH MEHRA  
Director  
DIN No.- 00003334

Place: New Delhi  
Date : 29th June 2019

Ashok Agarwal  
Chief Finance Officer (CFO)

Place: New Delhi  
Date : 29th June 2019

## PEARL ENGINEERING POLYMERS LIMITED

Annual Report 2018-19

### STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	(Amount in Rs.)	
	As at year ended 31.03.2019	As at year ended 31.03.2018
Balance at the beginning of the year	304,125,600	304,125,600
Addition/(Deletion) during the year	-	-
<b>Balance at the end of the year</b>	<b>304,125,600</b>	<b>304,125,600</b>

Particulars	Reserve and Surplus					Other comprehensive income	Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2017	-	-	-	-	(507,873,561)	-	(507,873,561)
Profit for the year 2017-18	-	-	-	-	(13,257,356)	-	(13,257,356)
<b>Balance as at 31st March, 2018</b>	-	-	-	-	<b>(521,130,917)</b>	-	<b>(521,130,917)</b>
Profit for the year 2018-19	-	-	-	-	59,867,531	-	59,867,531
<b>Balance as at 31st March, 2019</b>	-	-	-	-	<b>(461,263,386)</b>	-	<b>(461,263,386)</b>

#### Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements  
As per our report of even date

2-36

For Sehgal Mehta & Co.  
Chartered Accountants  
F.R.N: 003330N

For and on behalf of the board of directors

Naresh Khanna  
Partner  
M.No 081482  
  
Place: New Delhi  
Date : 29th June 2019

HARISH SETH  
Chairman & Managing Director  
DIN No.- 00002948  
  
Place: New Delhi  
Date : 29th June 2019

RAMESH MEHRA  
Director  
DIN No.- 00003334  
  
Place: New Delhi  
Date : 29th June 2019

Ashok Agarwal  
Chief Finance Office (CFO)

Place: New Delhi  
Date : 29th June 2019

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

### 1. COMPANY OVERVIEW

Pearl Engineering Polymers Limited incorporated on 14<sup>th</sup> July 1992 and domiciled in India and having its registered office at D-17, MIDC Industrial Area, Kurkumbh, Taluk Daund, District Pune, Maharashtra -413802. The Company is delisted by NSE w.e.f. 26<sup>th</sup> February 2018 and BSE w.e.f 11<sup>th</sup> May 2018. The Company was engaged in the business of manufacturing of PET resins. The financial statements are approved for issue by the company's board of directors on **June 29, 2019**.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of preparation and presentation of financial statements

##### A. Basis of preparation of financial statements

These financial statements have been prepared and presented in accordance with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, guidelines issued by Securities and exchange board of India (SEBI) and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

##### B. Statement of compliance with Ind-As

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules notified till date of financial statements, to the extent applicable.

##### C. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except the following:-

- i. Certain financial assets and liabilities (including derivatives instruments) and contingent consideration that is measured at fair value;
- ii. assets held for sale - measured at fair value less cost to sells;
- iii. defined benefit plans – plan assets measured at fair value; and
- iv. share-based payments.

##### D. Use of Estimates and Judgments.

The preparation of financial statements is in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- i. **Income Taxes:** The Company's tax jurisdiction is India. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- ii. **Provisions and Contingencies:** The assessments undertaken in recognizing the provisions and contingencies have been made in accordance with Ind-AS 37, 'Provisions, Contingent Liabilities and Assets'. The evaluation of the likelihood of the contingent events has required best judgment



by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

- iii. **Post-Employment benefit plan:** Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- iv. **Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns etc.

#### **E. Functional and Presentation Currency**

Items included in the financial statements of the company are measured using Indian Rupee (Rs.) which is the functional currency of the company and the currency of the primary economic environment in which the entity operates. The presentation currency of the company is also Indian Rupee (Rs.) (rounded off to Rs. lakhs up to two decimals)

## **II. Summary of significant accounting policies**

### **A. Financial Instruments**

#### **i. Financial Assets**

Financial assets comprise investments in equity and debt instruments, mutual funds, security deposits, inter-corporate deposits, trade receivables, Cash and cash equivalents and other eligible assets.

#### **Initial recognition and measurement**

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent Measurement**

- **Financial Assets measured at amortized cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortization is recognized as finance income in the Statement of Profit and Loss. Assets at amortized cost are represented by inter corporate deposits, trade receivables, security deposits, cash and cash equivalents and other eligible current and noncurrent financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the expected interest rate (EIR) model.
- **Equity instruments other than investment in associates:** The management determines at the initial recognition of investments in Equity instruments whether to measure it at FVTPL or FVTOCI. However, the equity instruments held for trading are always classified at fair value through Profit or Loss (FVTPL). The classification of investments at FVTOCI is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognized in other comprehensive income (OCI).
- **Financial assets at fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. Fair value changes are recognized in Statement of Profit and Loss.

#### De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualified for de-recognition. On de-recognition of financial asset in its entirety the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit and Loss.

#### Impairment of financial assets

Trade receivables, contract assets, receivables under Ind-AS 109, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. The approach followed by the company for recognizing the impairment loss is given below:

##### ➤ Trade receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. The company estimates the following provision matrix at the reporting date:

Period past due	Default rate
0 to 1 year	0%
1 to 2 year	0%
More than 2 years	10%
More than 3 years	100%
Doubtful receivables	100%

➤ **Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

**ii. Financial liabilities**

Financial liabilities comprise trade payables and other eligible liabilities.

**Initial recognition and measurement**

Financial liabilities are initially recognized at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

**Subsequent measurement**

- **Financial liabilities at amortized cost:** The Company has classified the following under amortized cost:

- a) Trade payables
- b) Other eligible financial liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the cumulative amortization using the effective interest rate (EIR) method of any difference between that initial amount and the maturity amount.

- **Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at fair value through profits or losses are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

**De-recognition of financial liabilities**

A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

**iii. Off-setting of financial assets and financial liabilities:**

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**iv. Reclassification of financial assets**

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity

instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## **B. Inventories**

Inventories are valued as under:-

- I. Land and plots:** Land and plots other than area transferred to construction work-in-progress of constructed properties are valued at lower of cost or net realizable value. Cost includes land acquisition cost and land development cost. Cost of land and plots is determined on specific identification basis.
- II. Construction work-in-progress:** Construction work-in-progress of constructed properties include the cost of land, internal development costs, external development charges, construction costs, overheads, borrowing cost, development/construction materials and is valued at lower of cost/estimate cost and net realizable value.
- III. Trading of real estate:** The cost includes purchase and other costs in bringing the inventory in their present location and condition. Cost is determined specific identification basis.

## **C. Property, Plant and Equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### **Transition to Ind-AS**

On transition to Ind-AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

### **Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant & equipment is provided on pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

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Category	Useful life (Years)
Buildings	60
Furniture & Fixture	10
Plant & Machinery	15
Office Equipments	5
Computer	3
Vehicles	8

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and has useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

## D. Intangible assets

### i. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

### ii. Patents, copyrights and other rights

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

### iii. Computer software

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique

software products controlled by the group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

#### **iv. Research and development**

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

#### **v. Amortization methods and periods**

The group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                      |         |
|--------------------------------------|---------|
| ➤ Patent, copyright and other rights | 5 years |
| ➤ Computer software                  | 5 years |
| ➤ Non-compete fees                   | 5 years |

#### **vi. Transition to Ind-AS**

On transition to Ind-AS, the group has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **E. Investment property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met.

The depreciation is not being charged on the investment property as the property is not being put to use for any purpose of business of the company. The leasehold investment properties used in the business of the company are amortized over the term of the lease.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

#### **Transition to Ind-AS**

On transition to Ind-AS, the group has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

## **F. Investments in subsidiaries and associates**

Investment in subsidiaries and associates is recognized at cost less impairment. Dividend income from subsidiaries and associates is recognized when its right to receive the dividend is established.

## **G. Foreign currency transactions and balances**

Transactions in foreign currencies are initially recognized in the standalone financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non- monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non- monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

## **H. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

## **I. Leases**

### **As a lessee**

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating lease. Payments made under operating leases (net of any incentives received from lessor) are charged to the profit or loss on a straight-line basis over the period of the lease unless the payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **As a lessor**

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general

inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **Deposits provided to lessor**

The company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. "Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

#### **J. Revenue**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, value added taxes and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activity as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### **Revenue from sale of flat/plots**

Revenue from the sale of Flat/Plots is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

#### **Revenue from services-Consulting**

Revenue from consulting services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision became known by management.

#### **Other revenue**

Interest income is recognized as it accrues in Statement of Profit and Loss using the effective interest method. Profit on trading of mutual fund units is recognized only on redemption of units.

#### **K. Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are



grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses are recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

#### **Reversal of impairment loss**

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

#### **L. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less as at the balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less from the balance sheet date and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **M. Employee Benefits**

##### **i. Short Term Benefits**

Employee benefits (other than post-employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

##### **ii. Post Employment Benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following post employment benefit plans:

##### **Gratuity**

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

### iii. Other long term employee benefits

#### Leave Encashment

The employees of the Company are entitled to leave encashment. The employees can carry forward a portion of the unutilized accumulating leaves and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave encashment based on actuarial valuation. Non-accumulating leave encashment are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

#### N. Provisions & Contingencies

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### O. Income Taxes

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

##### Current Tax

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

##### Deferred Tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

## **P. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the company has appointed a strategic steering committee which assesses the financial performance and position of the company and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer and the manager for corporate planning. Refer note.... for segment information presented.

## **Q. Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## **R. Non-current assets held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the assets (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current assets (or disposal groups) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets classified as held for sale are presented

separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of single co-ordinated plan to dispose of such a line of business or area of operation, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the profit and loss.

## **S. Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **T. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## **U. Earnings per share**

### **i. Basic earnings per share**

Basic earnings per share is calculated by dividing:-

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### **ii. Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:-

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **V. Rounding of amounts**

All amount disclosed in the financial statement and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**2. PROPERTY, PLANT AND EQUIPMENT**

The following table shows changes in Property, Plant and Equipment during the quarter ended 31st March 2019

	Land Leasehold	Vehicles	Total
<b>Cost or Valuation</b>			
As at 1.4.2018	1,683,385	1,144,313	2,827,698
Additions		5,000,000	5,000,000
Disposals	(1,683,385)		(1,683,385)
As at 31.3.2019	0	6,144,313	6,144,313
<b>Depreciation</b>			
As at 1.4.2018	48,337	865,196	913,533
Charges for the year	5,299	424,292	429,591
Disposals	(53,636)		(53,636)
As at 31.3.2019	0	1,289,488	1,289,488
<b>Net Block</b>			
As at 31.3.2019	(0)	4,854,825	4,854,825
As at 31.3.2018	1,635,048	279,117	1,914,165

**3. CAPITAL WORK IN PROGRESS**

Particulars	Capital work in progress
As at 1st April 2017	-
Addition	-
Amount transferred from CWIP	-
As at 31st March 2018	-
Addition	-
Amount transferred from CWIP	-
As at 31st March 2019	-

**4. INVESTMENT PROPERTY**

The following table shows changes in investment Property during the quarter ended 31st march 2019

	Building	Total (Rs. in lakhs)
<b>Cost or Valuation</b>		
As at 1.4.2018	11,930,452	11,930,452
Additions	0	0
Disposals	0	0
As at 31.3.2019	11,930,452	11,930,452
<b>Depreciation</b>		
As at 1.4.2018	5,833	5,833
Charges for the year	0	0
Disposals	0	0
As at 31.3.2019	5,833	5,833
<b>Net Block</b>		
As at 31.3.2019	11,924,619	11,924,619
As at 31.3.2018	11,924,619	11,924,619

(i) Amount recognised in Statement of profit and loss for investment properties	Year Ended 31.03.2019	Year Ended 31.03.2018
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-

**(ii) Contractual Obligations and restrictions**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

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(iv) Fair Value of investment property	Year Ended 31.03.2019	Year Ended 31.03.2018
Investment properties	22,500,000	27,513,000

### Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of source including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined as per the Memorandum of Understanding between the company with M/s Jsons Foundary Pvt. Ltd. for sale of Residential property dated 31st August 2017 at Rs.2,25,00,000/- (Two Crore Twenty Five Lakhs Rupees). The main inputs used are the local enquiries and prevailing market trends adjusted for location, size, utility, condition and other factors having influence over the fair value. All resulting fair value estimates for investment properties are included in level 3.

### 5. INTANGIBLE ASSETS

Particulars	Software	Total
<b>Gross Carrying value</b>		
As at 1st April 2018	17,142	17,142
Addition	-	-
As at 31st March 2019	17,142	17,142
<b>Amortization</b>		
As at 1st April 2018	8,491	8,491
Charges for the year	8,651	8,651
As at 31st March 2019	17,142	17,142
<b>Net Carrying Value</b>		
As at 31st March 2018	8,651	8,651
As at 31st March 2019	(0)	(0)

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### NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

#### NON CURRENT ASSETS

2	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Property Plant &amp; Equipment</b>		
	Property, Plant & Equipment (Ref Note 2)	4,854,825	1,919,998
	<b>Total Property Plant &amp; Equipment</b>	4,854,825	1,919,998

3	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Investment Property</b>		
	Investment Property (Ref Note 3)	11,924,619	11,924,619
	<b>Total Capital work in progress</b>	11,924,619	11,924,619

4	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Other Intangible Assets</b>		
	Other Intangible Assets (Ref Note 4)	(0)	8,651
	<b>Total Other Intangible Assets</b>	(0)	8,651

#### FINANCIAL ASSETS

5	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Investments</b>		
	<b>Preference Shares</b>		
	125000 5% Non-Cumulative Redemable Preference Shares of Beta Finance & Trading Pvt. Ltd. @ Rs.100 Each	12,500,000	-
	125000 5% Non-Cumulative Redemable Preference Shares of GAMA Investments Pvt. Ltd. @ Rs.100 Each	12,500,000	-
	<b>Total Investments</b>	25,000,000	-

6	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Loans</b>		
	Security Deposits-unsecured-considered good		
	- Considered Good	1,186,015	1,186,015
	- Considered Doubtful	-	-
	- Less Provision for Doubtful	-	-
		1,186,015	1,186,015
	Loans-unsecured-considered goods	35,000,000	-
	<b>Total Loans</b>	36,186,015	1,186,015

7	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Other Financial Assets</b>		
	Interest Receivables	660,795	150,899
	<b>Total Other Financial Assets</b>	660,795	150,899

8	Particulars	As at 31st March 2019	As at 31st March 2018
	<b>Other Non Current Assets</b>		
	Income tax advances (net of tax liability)		
	Balance Recoverable from Excise Department (Doubtful)	5,000,000	5,000,000
	Provision made against deposit with customs	(5,000,000)	(5,000,000)
		-	-
	Amount Recoverable from LIC (Considered Good)	552,146	552,146
	Balance Recoverable from Excise Department (Considered Good)	6,114,664	6,114,664
	Provision made against recoverable with Excise Department	(6,114,664)	(6,114,664)
		-	-
	<b>Total Other Non Current Assets</b>	552,146	552,146

## PEARL ENGINEERING POLYMERS LIMITED

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NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

### CURRENT ASSETS

#### FINANCIAL ASSETS

9	<i>Trade Receivables</i>	As at 31st March 2019	As at 31st March 2018
	<b>Debts outstanding for a period exceeding six months from the date they are due for payment</b>		
	Unsecured Considered Good		
	From Others	6,188,990	6,188,990
	Less: Provision for Doubtful Debts	(6,188,990)	(6,188,990)
		-	-
	Unsecured Considered Doubtful (Other than related parties)	8,353,017	8,353,017
	Less: Provision for Doubtful Debts	(8,353,017)	(8,353,017)
		-	-
	<b>Total Trade Receivables</b>	-	-
10	<i>Cash and Cash Equivalents</i>	As at 31st March 2019	As at 31st March 2018
	Balances with Banks		
	- Current account	3,545,404	12,817,238
	Cash in hand	423,893	30,022
	<b>Total Cash and Cash Equivalents</b>	3,969,297	12,847,260
11	<i>Current Tax Assets (Net)</i>	As at 31st March 2019	As at 31st March 2018
	Income tax advances (net of tax liability)	1,523,157	485,817
	<b>Total Current Tax Assets (Net)</b>	1,523,157	485,817
12	<i>Other Current Assets</i>	As at 31st March 2019	As at 31st March 2018
	Prepaid Expenses	2,638	2,500,000
	Other advances	280,609	267,074
	<b>Total Other Current Assets</b>	283,247	2,767,074

#### EQUITY AND LIABILITIES

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

13	EQUITY SHARE CAPITAL	As at 31st March 2019	As at 31st March 2018
	Particulars		
	<b>AUTHORISED</b>		
	4,20,00,000(Previous Year- 4,20,00,000) Equity shares of Rs.10/- each	420,000,000	420,000,000
	8,00,000(Previous Year-8,00,000) Redeemable Preference Shares of Rs.100/- each	80,000,000	80,000,000
	<b>Total Authorised Capital</b>	500,000,000	500,000,000
	<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
	30,412,560(Previous Year -30,412,560) Equity shares of `10/-each.	304,125,600	304,125,600
	Less : Calls in Arrears	-	-
		304,125,600	304,125,600
	<b>Total issued, subscribed and paid-up capital</b>	304,125,600	304,125,600



# PEARL ENGINEERING POLYMERS LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

(a) The reconciliation of the number of equity shares outstanding is set out below:-

Particulars	No. of Shares	Amount
<b>As at 1st April 2018</b>	<b>30412560</b>	<b>30412560</b>
Add/(less): Issued/(redeemed) during the year	0	0
<b>As at 31st March 2018</b>	<b>30412560</b>	<b>30412560</b>
Add/(less): Issued/(redeemed) during the year	0	0
<b>As at 31st March 2019</b>	<b>30412560</b>	<b>30412560</b>

(b) Number of shares held by each equity shareholder holding more than 5 percent of the issued share capital:

Particulars	No. of Shares (in lakhs)	% of holding
<b>As at 31st March 2018</b>		
Pacific Pearl Finance & Leasing Ltd	2615906	8.60%
Pearl Polymers Ltd	5492960	18.06%
Pearl Telefonics Ltd	2509160	8.25%
Krishen Seth	1591000	5.23%
Harish Seth	1713560	5.63%
Anand Fashions International LLC	1600000	5.26%
<b>As at 31st March 2019</b>		
Pacific Pearl Finance & Leasing Ltd	2615906	8.60%
Pearl Polymers Ltd	5492960	18.06%
Pearl Telefonics Ltd	2509160	8.25%
Krishen Seth	1591000	5.23%
Harish Seth	1713560	5.63%
Anand Fashions International LLC	1600000	5.26%

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OTHER EQUITY	As at 31st March 2019	As at 31st March 2018
<b>(a) Reserve and Surplus</b>		
<b>Capital Reserve</b>		
Balance at the commencement of the year		
Add: Addition/(deletion) during the year		
<b>Balance at the end</b>	<b>0</b>	<b>0</b>
<b>Capital Redemption Reserve</b>		
Balance at the commencement of the year		
Add: Addition/(deletion) during the year		
<b>Balance at the end</b>	<b>0</b>	<b>0</b>
<b>Securities Premium Reserve</b>		
Balance at the commencement of the year		
Add: Addition/(deletion) during the year		
<b>Balance at the end</b>	<b>0</b>	<b>0</b>
<b>General Reserve</b>		
Balance at the commencement of the year		
Add: Addition/(deletion) during the year		
<b>Balance at the end</b>	<b>0</b>	<b>0</b>
<b>Retained Earnings</b>		
Balance at the commencement of the year	(521130917)	(507873561)
Add: Profit/(loss) during the year	59867531	(13257356)
<b>Balance at the end</b>	<b>(461263386)</b>	<b>(521130917)</b>
<b>Total (a)</b>	<b>(461263386)</b>	<b>(521130917)</b>
<b>(a) Other Components of Equity</b>		
<b>Remeasurement of net defined benefit plan</b>		
Balance at the commencement of the year	0.00	
Add: Profit/(loss) during the year		
<b>Balance at the end</b>	<b>0.00</b>	<b>0.00</b>
<b>Total (a)</b>		
<b>Total (a+b)</b>	<b>(461263385.52)</b>	<b>(521130916.67)</b>

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ERSTWHILE LOAN BARRED BY LIMITATION	As at 31st March 2019	As at 31st March 2018
ERSTWHILE LOAN BARRED BY LIMITATION	161,923,901	161,923,901
	161,923,901	161,923,901

## PEARL ENGINEERING POLYMERS LIMITED

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### NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

#### CURRENT LIABILITIES FINANCIAL LIABILITIES

16	<b>Borrowings</b>	As at 31st March 2019	As at 31st March 2018
	<b>Other loans and advances</b>		
	Inter Corporate Deposits Received	2,000,000	-
	<b>Total Borrowings</b>	2,000,000	-

17	<b>Trade Payables</b>	As at 31st March 2019	As at 31st March 2018
	Creditors for Other services	138,500	153,531
	<b>Total Trade Payables</b>	138,500	153,531

18	<b>Other Financial Liabilities</b>	As at 31st March 2019	As at 31st March 2018
	Liability for Redemption of 0.01% Redeemable Preference Shares (706000 shares @ Rs.100 each(706000 shares in previous year)) (Redeemable Preference Shares were to be redeemed at par in three annual installments on 30th September, 2012, 2013 & 2014)	70,600,000	70,600,000
	<b>Total Other Financial Liabilities</b>	<b>70,600,000</b>	<b>70,600,000</b>

#### NON FINANCIAL LIABILITIES

19	<b>Other Current Liabilities</b>	As at 31st March 2019	As at 31st March 2018
	-Sales Tax/VAT Payable	2,263,051	2,263,051
	TDS Payable	27,434	388,562
	Other payables	5,139,000	13,518,750
	<b>Total Other Current Liabilities</b>	<b>7,429,485</b>	<b>16,170,363</b>

20	<b>Revenue from Operations</b>	As at 31st March 2019	As at 31st March 2018
	Sale of products	-	-
	Other operating revenues	-	-
		-	-

21	<b>Other Income</b>	As at 31st March 2019	As at 31st March 2018
	<b>Interest income on</b>		
	Others	2,808,112	23,419
	Net gain/loss on sale of investments		506,830
	Profit on sale of assets	67,014,295	-
	Liability no longer required	110	-
	Provision No Longer Required written back	-	279,885
	<b>Total Other Income</b>	<b>69,822,518</b>	<b>810,134</b>

## PEARL ENGINEERING POLYMERS LIMITED

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### NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

<b>22</b>	<b>Cost of Raw Materials Consumed</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Raw Materials</b>		
	Inventory at the beginning of the year		
	Add: Purchase		
	Less: Inventory at the end of the year		-
	<b>Packing Materials</b>		
	Inventory at the beginning of the year		
	Add: Purchase		
	Less: Inventory at the end of the year		-
	<b>Direct Purchase</b>		-
	<b>Total Cost of Raw Materials Consumed</b>		-
	<b>Particulars of Raw Materials consumed</b>	<b>Value Rs. in lakhs March 31, 2019</b>	<b>Value Rs. in lakhs March 31, 2018</b>
	<b>Total Purchases</b>		-
<b>23</b>	<b>Purchase of Traded goods</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
			-
<b>24</b>	<b>Changes in inventories of Finished Goods, Stock in Process and Stock in Trade</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	Inventory at the beginning of the year		
	Finished goods and Accessories		
	Stock in Trade		
	Semifinished goods		-
	Inventory at the end of the year		
	Finished goods and Accessories		
	Stock in Trade		
	Semifinished goods		-
			-
<b>25</b>	<b>Employee benefit Expenses</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	Salary, Wages, Bonus & Other Allowance	443,903.00	252,117.00
	Contribution to P.F, ESI & other Funds	900.00	900.00
	Staff Welfare expenses	9,079.00	7,479.00
	<b>Total Employee benefit Expenses</b>	<b>453,882.00</b>	<b>260,496.00</b>
<b>26</b>	<b>Finance Costs</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	<b>Interest Expenses</b>		
	<b>Others</b>		
	Interest Others	588.00	210.00
	<b>Other Borrowing Cost</b>		
	Bank Charges	5,982.00	173.00
	<b>Total Finance Cost</b>	<b>6,570.00</b>	<b>383.00</b>

## PEARL ENGINEERING POLYMERS LIMITED

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### NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

<b>27</b>	<b>Depreciation and Amortization</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	Depreciation	429,590.58	2,335,857.45
	Amortization	8,651.00	4,245.56
	<b>Total Depreciation and Amortization</b>	<b>438,241.58</b>	<b>2,340,103.01</b>
<b>28</b>	<b>Other Expenses</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
	Consumption of Stores & Spares		
	Freight, Octroi & Cartage		
	Power and Fuel		
	Electricity & Water Charges	103,051.00	268,287.00
	Advertisement, Publicity & Selling expenses	92,356.00	39,820.00
	Printing, Stationery, Postage, Telephone & Telex	1,666,424.00	636,476.00
	Rent	2,400,000.00	-
	Repairs & Maintenance		
	- Others	2,400,000.00	10,300.00
	Insurance	16,167.00	16,493.00
	Rates & Taxes	5,000.00	1,829,814.00
	Conveyance & Travelling expenses	96,916.00	1,206,310.00
	Legal & Professional Fees	1,897,629.00	5,218,594.00
	Payment to Auditors (Refer details below)	118,000.00	212,400.00
	Sales Tax Additional Demand	-	41,775.00
	Security expenses	-	616,017.00
	Miscellaneous expenses	260,750.00	1,370,221.91
	<b>Total Other Expenses</b>	<b>9,056,293.00</b>	<b>11,466,507.91</b>
	<b>Payment to Auditors</b>	<b>Statutory Auditors</b>	<b>Statutory Auditors</b>
	Audit Fees		
	Statutory Audit Fees	<b>118,000.00</b>	100,000.00
	Limited Review Fee	-	30,000.00
	for Taxation matters	-	82,400.00
	<b>Total Payment to Auditors</b>	<b>118,000.00</b>	<b>212,400.00</b>
<b>29</b>	<b>Earning per share (EPS)</b>		
	The following reflects the basic and diluted EPS computations :		
	<b>Total operations for the year</b>	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
	Net Profit/(Loss) for allocation of basic EPS	<b>59,867,531.15</b>	<b>(13,257,355.97)</b>
	Weighted average number of equity shares in calculating basic EPS	<b>(No.)</b>	<b>(No.)</b>
	Basic Earning per share (Rs.)	<b>30,412,560.00</b>	<b>30,412,560.00</b>
	Total No of weighted average Equity Shares including diluted potential Equity Shares outstanding during the year	<b>1.97</b>	<b>(0.44)</b>
	Diluted Earning per share (Rs.)	<b>30,412,560.00</b>	<b>30,412,560.00</b>
		<b>1.97</b>	<b>(0.44)</b>
<b>30</b>	<b>Contingent Liabilities</b>	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
	i) Custom Duty Demand (other than Penalty if any, which is not quantifiable at this stage)	<b>36,812.00</b>	<b>36,812.00</b>
	ii) Custom Duty Demand (other than i above)	<b>3,103.00</b>	<b>3,103.00</b>
	iii) All the workers were retrenched in the last year and were paid retrenched benefit. However the workers have filed case in the Labour court asking for reinstatement and compensation. (The amount payable if any, can not be quantified, at this stage.)		

# PEARL ENGINEERING POLYMERS LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

<b>31</b>	<p><b>Related party disclosures</b> Name of relative parties and related party relationship</p> <p><b>Key Management Personnel</b> Mr. Harish Seth Mr. Ramesh Mehra Mr. Brijesh Bansi Mathur</p> <p><b>Relatives of Key Management personnel and their enterprises where transactions have taken place</b> Mrs. Madhu Seth</p> <p><b>Related parties where control exists</b> Pearl Polymers Limited Pearl Apartments Limited</p>
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<p><b>Related party disclosures</b> Name of Related parties and related party relationship</p> <p><b>Key Management Personnel</b> Mr. Harish Seth Mr. Ramesh Mehra Mr. Brijesh Bansi Mathur</p> <p><b>Relatives of Key Management personnel and their enterprises where transactione have taken place</b> Mrs. Madhu Seth</p> <p><b>Related parties where control exists</b> Pearl Polymers Limited Pearl Apartments Limited Pearl International Tours &amp; Travels Private Limited Amit Apartments Limited Emperor Travels &amp; Tours Private Limited Beta Finance and Trading Private Limited</p> <p><b>Rent Paid</b> Madhu Seth</p> <p><b>Sharing of Common Expenses</b> Pearl International Tours &amp; Travels Private Limited</p>	<p>2,400,000</p> <p>2,400,000</p> <p>-</p>	
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**32 ERSTWHILE LOAN BARRED BY LIMITATION**  
The Company has been legally advised that, in view of Foreign Financial Institution's Advocate Letter dates 4th October, 2006 recalling the entire outstanding loan amount under the Loan Agreement of 1993, enforcement of such recall in law could take place within 3 years of the termination of the Amended Loan Agreement of 2003 with effect from 30.09.2006. Under the circumstances, Foreign Financial Institution or its Assignee, if any, cannot enforce any outstanding against the Company in any court of law post 30.09.2009 despite the existence of debt. Accordingly interest in respect of above loan after 03.10.2009, has not been provided in the books. Further, the outstanding by way of secured & unsecured loan and interest aggregating to Rs. 1,61,924 Thousand was shown as "Erstwhile Loan Barred By Limitation" in the previous year. There is no change in the current year.

**33 Discontinuing Activity**  
The company has discontinued its manufacturing activity and has disposed off plant machinery, spares and Factory Building. The Company is exploring the option for sale and disposal of its remaining movable and immovable assets. The loss on sale of Fixed assets at Rs.200,85,129/-is grouped under the head Loss on sale of Assets in the Profit and Loss account. Due to this, the company is not viewed as a going concern.

**34** Previous Year figures have been regrouped/reclassified, wherever considered necessary to conform to current year's classification.

**For Sehgal Mehta & Co**  
**CHARTERED ACCOUNTANTS**  
(FRN No.003330N)

**NARESH KHANNA**  
Partner  
Membership No. 081482

**Place: New Delhi**  
**Date : 29th June 2019**

**On Behalf of the Board**

**HARISH SETH**  
Chairman & Managing Director  
DIN No.- 00002948

Place: New Delhi  
Date : 29th June 2019

**RAMESH MEHRA**  
Director  
DIN No.- 00003334

Place: New Delhi  
Date : 29th June 2019

Ashok Agarwal  
Chief Finance Officer (CFO)  
Place: New Delhi  
Date : 29th June 2019

# PEARL ENGINEERING POLYMERS LIMITED

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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):

Registered address:

E-mail Id:

Folio No/ DP & Client Id:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ E-mail : \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_ Signature: \_\_\_\_\_, or failing him
2. Name: \_\_\_\_\_ E-mail \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_ Signature: \_\_\_\_\_, or failing him
3. Name \_\_\_\_\_ E-mail: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on Monday the 30<sup>th</sup> day of September, 2019 at 11.30 A.M. at the registered of the Company at D-17, MIDC Industrial Area, Kurkumbh, Taluk Daund, Dist. Pune-413802, Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
<b>ORDINARY BUSINESS</b>			
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. Harish Seth (DIN: 00002948), who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To re-appoint M/s. Sehgal Mehta & Co., Chartered Accountants on their expiration of the term as Statutory Auditors for further period of five consecutive years and fix their remuneration.		
<b>SPECIAL BUSINESS</b>			
4	Re-appointment of Mr. Ramesh Mehra (DIN: 00003334) as an		

# PEARL ENGINEERING POLYMERS LIMITED

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	Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.		
5	<b>Alteration of Memorandum of Association of the Company thereby adopting new set of Memorandum of Association of the Company in accordance with the provisions of Companies Act, 2013.</b>		
6	<b>Alteration of Articles of Association of the Company thereby adopting new set of Articles of Association of the Company in accordance with the provisions of Companies Act, 2013</b>		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp of Re.  
1/- value

**Note:**

1. 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.
2. Please put a V in the appropriate column against the resolutions indicated in the Box.
3. In case of joint holders, the signature of any one holder will be sufficient, provided name of all the joint holders should be stated.





# PEARL ENGINEERING POLYMERS LIMITED

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## LOCATION TO THE ANNUAL GENERAL MEETING (PEARL ENGINEERING POLYMERS LIMITED)

