

**REPORT ON CORPORATE GOVERNANCE**

This Report has been prepared and presented in compliance of the conditions of Corporate Governance laid down in Securities and Exchange Board of India (SEBI) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this Report referred to as "SEBI (LODR) Regulations, 2015") and Clause 49 of the erstwhile Listing Agreement.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Pearl Polymers strives to adopt the highest standards of excellence in Corporate Governance. The Company has consistently practised good Corporate Governance norms for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by Clause 49 of the erstwhile Listing Agreement and the SEBI (LODR) Regulations, 2015 which came into effect from 1 December, 2015. The broad principles in relation to disclosures and obligations have been implemented in a manner so as to achieve the objectives of Corporate Governance.

The Company's Corporate Governance philosophy is reflected in the following key areas of the Company's approach towards its Business and Stakeholders:

BOARD OF DIRECTORS

The Board plays an important role in overseeing how the management safeguards the interests of all Stakeholders' and entrusted with the task of managing the Company directly or through delegation of authority to executive management which provides the Board detailed reports on its performance periodically. The Board of Directors comprises of members having distinguished experience in various fields such as management, finance, technology and strategic planning, with considerable professional expertise and experience in Business and Industry.

i) Composition

As on 31 March 2016, the Board of the Company consists of Six Directors, of whom three were Executive and other three were Non-Executive Independent Director (including one Woman Director). The Board has an executive Chairman.

According to Regulation 17(1) (b) of the SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013, where the Chairperson is executive or a promoter, at least one half of the Board of the Company should consist of Independent Directors and this provision is met at Pearl Polymers Ltd.

ii) Other provisions related to Board and Committees

The Company Secretary circulates the agenda papers and supporting documents well in advance before the respective Board and Committee Meeting. The Board and Audit Committee meet at least four times on quarterly basis in a year to review the quarterly financial statements and meets on need basis on other matters. The Nomination & Remuneration Committee of the Board meets as and when required.

The gap between two board meetings does not exceed more than 120 days. The leave of absence was granted to the Directors as and when requested by them. The Board was made available with necessary information as required to be placed before the Board as per Regulation 17 (7) of SEBI (LODR) Regulations, 2015 for their discussion and consideration.

As per Regulation 26 of SEBI (LODR) Regulations, 2015 none of the Directors on the Company's Board is a member of more than ten committees or Chairman of more than five committees across all listed entities in which he/ she is a Director. All the directors have made necessary disclosure regarding committees positions held by them in other listed entities.

All the Directors of the Company are compliant with the applicable provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 with respect to their number of Directorship in other Companies and Chairmanship/Membership on various Committees.

The composition of the Board alongwith their Chairmanship and Membership on the Board Committees is tabled below:



Name of the Director	Number of Other Directorships ¹	Number of other Committee positions held ²	
		Member	Chairperson
Executive Director			
Mr. Chand Seth Chairman & Managing Director	5	1	-
Mr. Varun Seth Whole Time Director	3	1	-
Mr. Ramesh Mehra Whole Time Director	4	4	-
Non-Executive Independent Director			
Ms. Meera Johri	1	1	1
Mr. Ravi Kumar Mehra	1	1	1
Mr. Ashish Harish Bhuvra	2	-	-

1. Directorship held by Directors as mentioned above, includes directorship in Pearl Polymers Limited. Private Limited Companies, Foreign Companies and Section 8 Companies are not included.
2. As per Regulation 26 of the SEBI (LODR) Regulations, 2015, Committees considered to reckon the limit are Audit Committee and Stakeholders Relationship Committee in Public (Listed and Unlisted) Companies, including Pearl Polymers Limited.
3. None of the Directors is inter se related to any other Director on the Board, except Mr. Chand Seth and Mr. Varun Seth, who are related to each other.

iii) Board Meetings

The Company holds minimum four pre-scheduled Board meetings annually, one in each quarter, inter-alia, to review the financial results of the Company. The maximum time gap between two Board meetings is not more than 120 days. In case, of urgency or business exigencies, matters are also approved by way of circular resolution as per the provisions of Companies Act, 2013 and subsequently noted at the next Board meeting.

During the current financial year, Four Board meetings were held. The details of the Board Meetings along with the attendance of each Director at the respective Board Meeting and last AGM are tabled below:

Name of the Director	Attendance at the Board Meetings held on				Attendance at Last 44 th AGM
	27 May, 2015	12 August, 2015	9 November, 2015	9 February, 2016	30 September, 2015
Mr. Chand Seth	Yes	Yes	Yes	Yes	Yes
Mr. Varun Seth	Yes	Yes	Yes	Yes	No
Mr. Ramesh Mehra	Leave of Absence	Leave of Absence	Yes	Leave of Absence	No
Ms. Meera Johri	Yes	Yes	Yes	Yes	No
Mr. Ravi Kumar Mehra	Yes	Yes	Yes	Yes	Yes
Mr. Ashish Harish Bhuvra	Leave of Absence	Yes	Leave of Absence	Leave of Absence	No

iv) 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.

v) Separate meetings of the Independent Director

The Independent Directors held a Meeting on 12 August, 2015 without the attendance of Non-Independent Directors and members of Management. All Independent Directors were present at such



meeting. At the Meeting, they –

- i. Reviewed the performance of Non-Independent Directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Managing Director and Non-Executive Directors.
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors hold a unanimous opinion that the Non-Independent Directors are Senior Business Managers with decades of experience in their business. Their knowledge and experience was found extremely useful for the Company. They are highly knowledgeable both on product manufacturing and operations of Pearl Polymers Limited and found them to be very competent, experienced, engaging, committed and participative. They have demonstrated their good listening skills and have been found to be logical, cogent, convincing and good observant.

The Directors have a well-coordinated, harmonious working relationship. All Directors are professional, they add value, contribute meaningfully and openly share their views and contribute to the high quality of discussions at meetings, with a view to continually probing avenues for sustainable growth. The Chairperson provides effective leadership to the Board encourages active engagement, participation and discussion by all Members and communicates effectively. He is seen to be meticulous, caring and well prepared for the Meetings. He is an active listener and provides meaningful contribution to the development of strategy.

The information provided by the Company's Management is complete, of high quality and furnished with full disclosure in a professional and timely manner.

vi) Familiarization Programme

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarised with the Company, their roles, rights and responsibilities in the Company, the Code of Conduct to be adhered to, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team, members, etc.

The details of such familiarisation programmes can be viewed on the Company's website at www.pearlpet.net

vii) Code of Conduct for the Board of Directors and Senior Management

The Company's Code of Conduct provides guidelines to be followed by all Members of the Board of Directors and Senior Management to ensure the highest standards of professional conduct. Members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31 March, 2016 on behalf of themselves and to the extent that they are aware, on behalf of all employees reporting to them.

A declaration signed by the Chairman & Managing Director of the Company to this effect is contained at the end of this report as Annexure-I. The said Code can be viewed on the Company's website at www.pearlpet.net

viii) Code of Conduct for Independent Directors

As per the provision of section 149(8) of the Companies Act, 2013 the Company and Independent Directors shall abide by the provision of Schedule IV of the Companies Act, 2013. Pursuant to the said provisions of the Companies Act, 2013 the Company has drafted a Code of Conduct for Independent Directors of the Company and the same has also been posted on the website of the Company.

COMMITTEES OF THE BOARD

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter,



which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

We have following Five Committees of the Board as at 31 March, 2016.

A) Mandatory Committees	B) Non Mandatory Committee
i) Audit Committee ii) Stakeholders' Relationship Committee iii) Nomination and Remuneration Committee	i) Finance Committee ii) Risk Management Committee

A) Mandatory Committees

i) Audit Committee

The role and terms of reference of the Audit Committee are in conformity with the provisions of section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures.

Terms of Reference

Sections 177 of Companies Act, 2013, and the Regulation 18 of the SEBI (LODR) Regulations, 2015, have expanded the terms of reference of the Audit Committee. Accordingly, the term of reference for Audit Committee includes:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend to the Board, the appointment, remuneration and terms of appointment of auditors;
3. To approve the payment to statutory auditors for any other services rendered by them;
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report
5. To review, with the management, the quarterly financial statements and Audit Report before submission to the board for approval;
6. To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. To approve or any subsequent modification of transactions of the listed entity with related parties;



9. To scrutinize inter-corporate loans and investments;
10. To evaluate undertakings or assets of the listed entity, wherever it is necessary;
11. To evaluate internal financial controls and risk management systems;
12. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. To review the adequacy of internal audit department, function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. To approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. Any other function as may be stipulated under the Companies Act, 2013, SEBI or any other regulatory authorities from time to time.

Composition

As on 31 March, 2016 the composition of the Audit Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Mr. Ravi Kumar Mehra, is a Chairperson of the Committee and Ms. Meera Johri and Mr. Varun Seth are the Members of the Committee.

The Company Secretary acts as a Secretary to the Committee. The members of Audit Committee comprises of majority of Independent Directors. All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

Meetings

The Company holds minimum four pre-scheduled Audit Committee meetings in one financial year i.e. one in each quarter and the maximum time gap between two Audit Committee meetings is not more than 120 days complying with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The necessary quorum was present for all the meetings

The composition and attendance record of the members of the Audit Committee for the FY 2015-16 are as follows:

Composition	Category	Audit Committee Meetings			
		27 May, 2015	12 August, 2015	9 November, 2015	9 February, 2016
Mr. Ravi Kumar Mehra (Chairman)	Non Executive & Independent	Yes	Yes	Yes	Yes
Ms. Meera Johri	Non Executive & Independent	Yes	Yes	Yes	Yes
Mr. Varun Seth	Executive	Yes	Yes	Yes	Yes

The Statutory Auditor and Internal Auditor are the permanent invitees to the meetings of the Committee



wherein the financial statements/results are discussed. In addition to the representatives of the Statutory Auditors, Chief Financial Officer is also invited to attend the Audit Committee meetings. The Chairman of the Audit Committee was present at the last 44th Annual General Meeting of the Company.

ii) Stakeholders Relationship Committee

The Stakeholders' Relationship Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015. The Committee looks into the process of share transfers, grievances of security holders, if any, and also reviews the working of Company's Registrar & Share Transfer Agent.

Terms of Reference

The Terms of Reference of the Stakeholders' Relationship Committee is as follows:

1. To consider and resolve the grievances including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. of the shareholders, debenture holders and other security holders of the Company.
2. To also oversee the performance of the Registrar & Share Transfer Agent (RTA) to ensure expeditious share transfer process
3. Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

Composition

The composition of the Stakeholders Relationship Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. As on 31 March, 2016, the Stakeholders Relationship Committee comprised of Four (4) Members namely Ms. Meera Johri, Chairperson, Mr. Ravi Kumar Mehra, Mr. Chand Seth & Mr. Ramesh Mehra as Members. Ms. Shilpa Verma - Company Secretary acts as a Secretary to the Committee and is the Compliance Officer of the Company.

Meetings

During the year, the Committee met Four times on 27 May, 2015, 12 August, 2015, 9 November, 2015 and 9 February, 2016. The necessary quorum was present for all the meetings.

The details of the composition of the committee and attendance at the meeting are set out in the following table:

Composition	Category	Stakeholders' Relationship Committee			
		27 May, 2015	12 August, 2015	9 November, 2015	9 February, 2016
Ms. Meera Johri (Chairperson)	Non Executive & Independent	Yes	Yes	Yes	Yes
Mr. Ravi Kumar Mehra	Non Executive & Independent	Yes	Yes	Yes	Yes
Mr. Chand Seth	Executive	Yes	Yes	Yes	Yes
Mr. Ramesh Mehra	Executive	No	No	Yes	No



Details of Complaints received and Resolved during the Financial Year:

S. No.	Nature of Complaints	Complaints Received	Complaints Resolved	Complaints Pending
1.	Request for Change of Address	02	02	Nil
2.	Request for Duplicate shares/ Splitting/ Consolidation of share certificates	06	06	Nil
3.	Request for Dematerialization/ Rematerialization of shares	66	66	Nil
4.	Request for Share Transfer/Share Transmission	12	12	Nil
5.	Complaints from Stock Exchange/ SEBI/ Depositories	Nil	Nil	Nil
6.	Miscellaneous request including redemption of debentures, unclaimed dividend, Annual Reports etc.	21	21	Nil

Further, all the request for transfer of shares have also been processed in time and no transfer were pending for registration for more than 15 days as on 31 March, 2016. Ms. Shilpa Verma, Company Secretary has been designated as the "Compliance Officer" of the company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015.

Share Transfer System

All valid share transfers are registered and duly transferred share certificates are dispatched within a period of 15 days from the date of receipt.

Investors' Service

The Company has a system of attending and redressing all investors' grievances/ correspondence within a period of 15 days from the date of receipt of the same.

No complaints/grievances are pending as on date.

iii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

Terms of Reference

Terms of Reference of the Nomination and Remuneration Committee are as follows :

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
5. Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition

As on 31 March, 2016, the composition of the Nomination and Remuneration Committee is as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015 namely Mr. Ravi Kumar Mehra, Chairman, Ms. Meera Johri, Mr. Ashish Harish Bhuva, are the Members. The Chairman of the Nomination and Remuneration Committee was present at the Forty Fourth (44th) Annual General Meeting of the Company.

Meetings

During the year, there was no appointment or increase in remuneration of any Director or Key



Managerial Personnel, so the Committee did not convene any meeting. The composition of the members of the Committee is given herein below:

Composition	Category
Mr. Ravi Kumar Mehra (Chairman)	Non Executive & Independent Director
Ms. Meera Johri	Non Executive & Independent Director
Mr. Ashish Harish Bhuvra	Non Executive & Independent Director

The Company Secretary acts as a Secretary to the committee.

Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee has formulated a Policy for the Directors, Key Managerial Personnel and other Employees, the details of which forms part of the Directors Report. The Remuneration Policy can be viewed on the Company's website at www.pearlpolymer.net

Remuneration of Directors

a) Executive Director:

Details of the Remuneration paid to the Directors during the financial year ended on 31 March, 2016:

(Rs in Lakhs)

S. No.	Name of the Director	Salary and Allowances	Perquisite	Total
1.	Mr. Chand Seth	32.40	21.60	54.00
2.	Mr. Varun Seth	32.62	6.76	39.38
3.	Mr. Ramesh Mehra	13.80	-	13.80

b) Non Executive & Independent Director

Details of sitting fees paid to Non-Executive and Independent Director

(Rs in Lakhs)

S. No.	Name of the Director	Sitting Fees	Total
1.	Mr. Ravi Kumar Mehra	0.20	0.20
2.	Ms. Meera Johri	0.20	0.20
3.	Mr. Ashish Harish Bhuvra	0.05	0.05

The sitting fees paid to Non Executive & Independent Director are within the limits as prescribed under the Companies Act, 2013. No remuneration other than the sitting fees for attending Board Meetings was paid to the Non-Executive Directors.

Performance Evaluation Criteria

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with



the Chairman of the Board and the Chairman of the Nomination & Remuneration Committee was held. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

B) Non Mandatory Committees

In addition to the above referred Committees which are mandatory under the Companies Act, 2013 SEBI (LODR) Regulations, 2015 and under SEBI Guidelines, the Board of Directors has constituted the following committees of Directors.

- i) Finance Committee
- ii) Risk Management Committee

i) Finance Committee

The Finance Committee of Directors has been constituted by the Board of Directors of the Company with necessary powers delegated to it with a view to conduct the affairs of the Company smoothly.

Terms of reference

The terms of Finance Committee are as follows:

- a) To review / make banking arrangements and cash management.
- b) To approve short term and long term investments.
- c) To arrange on lease or hire purchase any asset for the purpose of the Company.
- d) To approve transfers/ transmission of shares.
- e) Allotment of shares and other financial transactions, within the limits specified by the board and to deal with any other matter as may be delegated to the committee by the Board from time to time.

Composition

The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category
Mr. Chand Seth (Chairman)	Executive
Mr. Varun Seth	Executive
Mr. Ramesh Mehra	Executive

Meetings

During the Financial Year 2015-16, the Committee meets fortnightly to approve share transfers/ transmission and consider such other matters as may be delegated to the committee by the Board from time to time.

ii) Risk Management Committee

As per Regulation 21 of the SEBI (LODR) Regulations, 2015, formation of Risk Management is not applicable on our Company, but voluntarily we have constituted the Risk Management Committee.

Terms of Reference

The terms of Reference of the Risk Management Committee are as follows:

- i) to inform the Board members at least once a year about the risk assessment and minimization procedures;
- ii) to monitor and review the risk management plan; and
- iii) to perform other relevant functions in this connection.

**Composition**

The Composition of the Risk Management Committee is in compliance with the requirements of SEBI (LODR), Regulations 2015. The compositions of the members of the Committee are given herein below:

Composition	Category
Mr. Chand Seth (Chairman)	Executive
Mr. Varun Seth	Executive
Mr. Ravi Kumar Mehra	Non Executive & Independent Director

General Body Meetings

The last three Annual General meetings were held as under:

AGM No.	Financial Year	Location	Date and Time
42	2012-13	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020	23 September, 2013 11:30 A.M.
43	2013-14	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020	29 September, 2014 11:30 A.M.
44	2014-15	A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020	30 September, 2015 11:30 A.M.

Special Resolutions passed in the last three Annual General Meetings

The details of special resolution passed in the previous three Annual General Meetings are as mentioned below:

AGM No.	Financial Year	No. of Special Resolution(s) passed	Purpose
42	2012-13	One	Alteration in the Articles of Association of the Company.
43	2013-14	Three	a) Reappointment of Mr. Chand Seth as the Chairman & Managing Director and Remuneration payable to him. b) Alteration in the Articles of Association of the Company. c) Empowering Board of Directors to borrow u/s 180(1) (c) of the Companies Act, 2013.
44	2014-15	Nil	Nil

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting of the Shareholders was held during the financial year ended 31 March, 2016.

E-Voting Facility

The Company proposes to extend the facility for E-voting and Physical vote to the shareholders to exercise their voting rights on all resolutions that would come for consideration of the shareholders in the Annual General Meeting to be held in the current year (2016). The procedure for E-Voting and Physical Vote with respect to the ensuing Annual General Meeting will be the same as followed in the past.


Details of Postal Ballot
a) Special resolution passed last year through Postal Ballot

During the financial year 2015-16, the Company has conducted One (1) Postal Ballot in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and through Postal Ballot Four (4) Special Resolutions were passed.

The Company has provided its members with an e-voting facility through National Securities Depository Limited (NSDL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s).

Ms. Rashmi Sahini, Practicing Company Secretary was appointed as a Scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner.

The Board of Directors approved the Postal Ballot notice dated 22 December, 2015 containing the below mentioned special resolution for the approval of the Members, which was passed by the members with the requisite majority and the results thereof were announced on 25 January, 2016.

Name of the resolution	No. of Votes Polled	Votes cast in Favour		Votes cast Against	
		No. of Votes	%	No. of Votes	%
a) To create Charge or Mortgage on Assets of the Company upto Rs. 300 Crores	100,46,129	100,45,929	99.99	200	0.01
b) To give Loan/Guarantee or provide Security in connection with a Loan and to make investments in Securities.	100,46,129	100,45,929	99.99	200	0.01
c) To amend incidental or ancillary objects clause of the Memorandum of Association.	100,46,129	100,45,929	99.99	200	0.01
d) To delete other object clause of the Memorandum of Association	100,46,129	100,45,929	99.99	200	0.01

b) Special Resolution proposed to be conducted through Postal Ballot

No special resolution is proposed to be passed through Postal Ballot.

Disclosures:
Related Party Transactions

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The Company does not have any subsidiary or associate. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of Related Party Transactions.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules framed thereunder including the SEBI (LODR) Regulations, 2015 and the erstwhile Listing Agreement. The policy has been placed on the website of the Company at www.pearlpoly.net



Compliance with Regulations

The Company has complied with the requirements of the Regulatory Authorities on Capital Markets. Neither has there been any instances of non-compliance by the Company on any matters related to the capital markets, nor has any penalty or stricture been imposed on the Company by the Regulatory Authorities or any statutory authority, on any matter related to capital markets, during the last three years.

Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

Whistle-Blower Policy

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4 of the SEBI (LODR) Regulations, 2015, Pearl Polymers Limited has put in place a system through which the Directors, employees and business associates may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the Chairperson of the Audit Committee.

The Whistle-Blower Policy is placed on the website of the Company at www.pearlpolymer.net

Insider Trading

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, to inter alia, prevent insider trading in the shares of the Company.

CEO/CFO Certification

Mr. Chand Seth, Chairman & Managing Director and Mr. Rajesh Mehra, Chief Financial Officer, have furnished certificate pursuant to the Regulation 17(8) of SEBI (LODR), Regulations, 2015, certifying that the financial statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed as Annexure-II and forms part of the Annual Report.

Details of compliance with mandatory requirements and adoption of Non-mandatory requirements

The Company has complied with mandatory requirements of "SEBI (LODR) Regulations, 2015" and adopted some of the non-mandatory requirements.

MEANS OF COMMUNICATION

Financial Results

The Quarterly, Half-Yearly and Annual Financial Results are regularly submitted to the Stock Exchanges in accordance with the Regulation laid down therefore and the erstwhile Listing Agreement and are generally published in the Financial Express (English Language) and Hari Bhoomi (Hindi Language). The results are also posted on the Company's website www.pearlpolymer.net, after its submission to the Stock Exchanges. These are available in a freely downloadable format.

The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges are posted through the filing system of the BSE Limited and NSE Electronic Application Processing System (NEAPS) portals.

Any price sensitive information and matters which are material and relevant to the Shareholders are intimated to the BSE Limited and the National Stock Exchange of India Limited, where the securities of the Company are listed.

**GENERAL SHAREHOLDERS' INFORMATION****45th Annual General Meeting**

Date and Time : 30 September, 2016 at 11:30 A.M.
 Venue : A-97/2, Okhla Industrial Area,
 Phase-II, New Delhi-110020

Financial Calendar for the year 2016-2017 (Tentative and subject to change)

1st Quarterly Results Up to 14 August, 2016
 2nd Quarterly Results Up to 14 November, 2016
 3rd Quarterly Results Up to 14 February, 2017
 4th Quarterly Results Up to 30 May, 2017 (Audited)

Date of Book Closure

24 September, 2016 to 30 September, 2016 (Both days inclusive)

Listing of Shares

The Equity Shares of the Company are at present listed on the following Stock Exchanges:

Name of the Stock Exchange	Stock Code/ Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, 25 th Floor, Mumbai - 400 001	523260
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G.Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	PEARLPOLY

Pursuant to the SEBI (LODR) Regulations, 2015, the Company has entered into a Uniform Listing agreement with BSE and NSE. Annual listing fees, as prescribed, have been paid to the said stock exchanges upto 31 March 2017.

International Securities Identification Number for the Company's Equity Shares : INE844A01013

Corporate Identification Number (CIN)

L25209DL1971PLC005535

Stock Market Data for Financial Year ended 31 March, 2016

The monthly high- low of the Share price of the Company:

Monthly/ Year	NSE			BSE		
	Share Price			Share Price		
	High	Low	Close	High	Low	Close
April'15	15.60	10.55	13.05	14.94	10.40	13.70
May'15	14.60	11.00	12.60	15.82	11.52	12.70
June'15	12.75	10.00	11.90	12.70	9.40	11.98
Jul'15	16.80	10.70	16.80	15.68	10.67	15.68
Aug'15	20.15	15.70	17.50	19.85	15.40	17.85
Sep'15	18.30	12.60	13.35	18.15	13.20	14.85
Oct'15	18.00	12.15	16.55	17.85	13.21	16.87
Nov'15	18.95	14.05	15.25	17.60	15.00	15.80
Dec'15	23.90	14.15	21.00	24.40	14.70	21.15
Jan'16	27.40	18.20	18.80	27.30	18.25	18.80
Feb'16	19.45	13.40	13.40	19.70	13.20	13.45
March'16	14.00	11.85	11.95	14.50	12.12	12.50

**Distribution of shareholding as on 31 March, 2016**

Shareholding of Nominal value (Rs.)	Shareholders		Share Amount		
	Number of Shareholder	% of total holding	Number of shares	Amount (Rs.)	% of Total
1 to 5000	9151	92.21	1220592	12205920	7.25
5001 to 10000	416	4.19	351568	3515680	2.08
10001 to 20000	150	1.51	225638	2256380	1.34
20001 to 30000	58	0.58	148774	1487740	0.88
30001 to 40000	17	0.17	60381	603810	0.36
40001 to 50000	27	0.27	126413	1264130	0.75
50001 to 100000	28	0.28	197924	1979240	1.18
100001 and above	77	0.78	14503642	145036420	86.15
Total	9924	100	16834932	168349320	100

Categories of shareholders as on 31 March, 2016

S.No.	Category	No. of Shares Held	Percentage Of Shareholding
1.	Promoters	9066840	53.86
2.	Mutual Fund and UTI	5410	0.03
3.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	641042	3.82
4.	Bodies Corporate	2042805	12.13
5.	Indian Public	4791752	28.46
6.	NRIs/OCBs/FIIs	232896	1.38
7.	Clearing Member	54187	0.32
	TOTAL	16834932	100

Dematerialization of Shares

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on 31 March, 2016, a total of 15677605 equity shares of the Company, which forms 93.12% of the equity share capital, stand dematerialized.

Liquidity

Since Company's shares are listed on 31 March, 2016 on BSE Limited and National Stock Exchange of India Limited are compulsorily traded in dematerialized form, these shares enjoy enough liquidity in the market.

Registrar and Transfer Agent

In compliance of SEBI requirements, Mas Services Limited has been appointed as the Registrar and Share Transfer Agent of the Company who handles share transfer work in Physical as well as in Electronic Form and other related activities. The address of the RTA is as follows:

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II, New Delhi-110020,

Phone No.:011-26387281-83,

Fax No.:011-26387384,

Website: www.masserv.com, E-mail: info@masserv.com

**Investors' correspondence may be addressed to:**

Mr. N. K. Rastogi, Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi –110020, Phone No. : 011-26387281-83, Fax No. : 011-26387384, website: www.masserv.com, E-mail: info@masserv.com

Plant Location

The Company's plants are located at:

a) Mahad

B-3/2/1, 2 & 3 MIDC Industrial Estate
Mahad Dist. Raigad, Maharashtra

c) Baddi

Khasra No. 512-513, Village-Sandholi
Baddi, Tehsil-Nalagarh, Dist. Solan (H.P.)

b) Jigani

13-A, Part-I, Jigani Industrial Area
Distt. Anekal, Bangalore, Karnatka

d) Pant Nagar

Plot No. 45, Sector-3,
Village Kalyanpur, Tehsil Kichha,
Distt. U.S., Nagar, IIE, Pant Nagar,
Uttaranchal