

5th ANNUAL REPORT 2013-2014



VINAYAK POLYCON International Ltd.



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**BOARD OF DIRECTORS****Mr. Bhanwar Lal Baid**

Chairman

CA Bharat Baid

Managing Director

CA Vikram Baid

Executive Director

Mrs. Anima BordiaIndependent and Non Executive Director
(w.e.f 14.07.2014)**CA Niraj Nahata**Independent and Non Executive Director
(w.e.f 14.07.2014)**CA Pawan Nahata**Independent and Non Executive Director
(w.e.f 14.07.2014)**CA Laxmipat Nahata**Independent and Non Executive Director
(upto 14.07.2014)**Mr. M.S. Bhandari**Independent and Non Executive Director
(upto 14.07.2014)**Mr. Tej Kumar Dugar**Independent and Non Executive Director
(upto 14.07.2014)**Statutory Auditors****A. Natani & Co.**Chartered Accountants
6-7, Samod Tower
II Floor, Dadu Marg
S.C.Road, Jaipur**BOARD COMMITTEES****Audit Committee**Mrs. Anima Bordia
Mr. Niraj Nahata
Mr. Pawan Nahata**Nomination &
Remuneration Committee**Mrs. Anima Bordia
Mr. Niraj Nahata
Mr. Pawan Nahata**Stakeholders' Relationship
Committee**Mrs. Anima Bordia
Mr. Niraj Nahata
Mr. Pawan Nahata**Secretarial Auditor**V.M. & Associates
Company Secretaries
403, Royal World
Sansar Chandra Road
Jaipur- 302 001**Registrar and Share Transfer Agent****M/s MAS Services Limited**T-34 2nd Floor, Okhla Industrial Area
Phase-II, New Delhi-110020
Phone No : 91-11-26387281-13
Fax:-91-11-26387384
Email: -info@masserv.com**Principal Banker**

Indian Overseas Bank

Registered and Correspondence Office

312, Navjeevan Complex, 29, Station Road, Jaipur- 302 006 (Rajasthan), India

Phone No: 91-141-2377007, Fax:-91-141-2378830

Email: - investor@vinayakpolycon.com

Website: - www.vinayakpolycon.com

CIN: L25209RJ2009PLC030620

Works :Unit : 16, Pandur Village, Kayarambedu Post,
Via Guduvanchery Dist.Kanchipuram - 603202, TAMIL NADU.

FINANCIAL HIGHLIGHTS

For the Year Ended 31st March :

| Particulars | (Amount Rs. In Lac) | | | | |
|------------------------------------|---------------------|----------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| PROFIT & APPROPRIATIONS | | | | | |
| Sale & Other Income | 0.00 | 1388.03 | 1357.76 | 1821.13 | 1942.86 |
| Profit Before Depreciation & Tax | 0.00 | 116.52 | 105.58 | 108.64 | 102.74 |
| Depreciation | 0.00 | 109.80 | 95.33 | 100.78 | 90.50 |
| Profit before Tax | 0.00 | 6.72 | 10.25 | 7.86 | 12.24 |
| Taxation | 0.00 | 1.55 | 3.18 | 2.94 | 3.46 |
| Profit After Tax | 0.00 | 5.17 | 7.07 | 4.92 | 8.78 |
| Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Earning per Share | 0.00 | 0.17 | 0.23 | 0.16 | 0.28 |
| ASSETS EMPLOYED | | | | | |
| Fixed Assets Gross | 0.00 | 950.27 | 998.75 | 1058.29 | 1021.56 |
| Depreciation | 0.00 | 289.02 | 383.35 | 484.13 | 553.17 |
| Net | 0.00 | 661.25 | 615.40 | 574.16 | 468.39 |
| Capital work in progress | 0.00 | 0.00 | 1.50 | 0.00 | 0.00 |
| Investment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Current Assets | 4.47 | 478.93 | 102.07 | 125.91 | 124.26 |
| Miscellaneous Expenditure | 2.11 | 4.64 | 3.70 | 2.78 | 1.85 |
| | <u>6.58</u> | <u>1144.82</u> | <u>722.67</u> | <u>702.85</u> | <u>594.50</u> |
| FINANCED BY | | | | | |
| Equity Shares | 5.00 | 308.12 | 308.13 | 308.13 | 308.13 |
| Reserve & Surplus | 0.00 | 35.58 | 42.64 | 47.56 | 56.34 |
| Loan Funds | 1.58 | 771.51 | 342.13 | 318.90 | 205.07 |
| Deferred Tax Liability | 0.00 | 29.61 | 29.77 | 28.26 | 24.96 |
| | <u>6.58</u> | <u>1144.82</u> | <u>722.67</u> | <u>702.85</u> | <u>594.50</u> |

**(VINAYAK POLYCON INTERNATIONAL LIMITED)**

(CIN: L25209RJ2009PLC030620)

Registered Office: 312, Navjeevan Complex, 29, Station Road, Jaipur-302006

Email: investor@vinayakpolycon.com Website: www.vinayakpolycon.com

Phone: 0141-2377007, Fax: 0141-2378830

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF VINAYAK POLYCON INTERNATIONAL LIMITED will be held at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 on Saturday, 6th September, 2014 at 3.00 P.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Bhanwar Lal Baid (holding DIN 00212003), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. A. Natani & Co., Chartered Accountants (ICAI Registration No. 007347C) as statutory auditors of the Company and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. A. Natani & Co., Chartered Accountants (ICAI Registration No. 007347C), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the tenth Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company, be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the auditors."

SPECIAL BUSINESS :

4. 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 Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read

with Schedule IV to the Companies Act, 2013, Mrs. Anima Bordia, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. July 14, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Independent Director of the Company at this Annual General Meeting to hold office for a term up to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

5. 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 Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Niraj Nahata, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. July 14, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company at this Annual General Meeting to hold office for for a term up to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

6. 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 Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there-under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pawan Nahata, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. July 14, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company at this Annual General Meeting to hold office for for a term up to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

7. 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 196, 197, 198, read with schedule V and other applicable provisions, if any of the Companies Act, 2013 and the provisions of Articles of Association and various other laws, rules, regulations (if any) as may be applicable including any statutory modification(s) or re-enactment(s), from time to time and subject to the approval of other applicable authorities, if any, the consent of shareholders of the Company be and is hereby accorded to reappointment of Mr. Vikram Baid as the Whole time Director of the Company for a period of 5 (Five) years w.e.f. 01st of April, 2014 to 31st March, 2019 as per the under mentioned terms and conditions:

- I) Basic Salary: Rs. 1,05,000/- p.m. fixed for this year w.e.f. 01.04.2014 which can be increased upto maximum of Rs. 2,00,000/- p.m. during the five years of their tenure.
- II) Perquisites: In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Executive Director:

CATEGORY (A)

- a) Housing
HRA in addition to Salary: Rs. 15,000/- p. m.
- b) Club Fees
Fees payable subject to a maximum of two clubs.

CATEGORY (B)

In addition to the perquisites, Mr. Vikram Baid shall also be entitled to the following benefits, which shall not be

included in the computation of ceiling on remuneration mentioned above, as permissible by law.

- (i) Contribution to Provident Fund / Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
- (iii) Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

- (a) Conveyance
Free use of the company's car along with driver. Personal use of car shall be billed by the Company.
- (b) Telephone
Free telephone facility at residence. Personal long distance calls shall be billed by the Company.
- (c) Reimbursement of Expenses
Apart from the remuneration as aforesaid, Mr. Vikram Baid, Whole time Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- (d) Sitting Fee
No sitting fee shall be paid to Mr. Vikram Baid, Executive Director for attending the Meetings of Board of Directors or any committee thereof. He shall be liable to retire by rotation.
- (e) Where in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr. Vikram Baid, Whole time Director subject to the applicable provisions of Schedule V to the said Act.

The terms & conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule V annexed to the Companies Act, 2013 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

Other Terms & Conditions :

- (i) Mr. Vikram Baid will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party three-month's prior notice in writing to that effect may terminate the agreement.
- (iii) If at any time Mr. Vikram Baid ceases to be Director of

the Company for any reason whatsoever, he shall cease to be the Executive Director.

- (iv) The said appointment of Mr. Vikram Baid on the terms & conditions as set out above including his remuneration as referred above is subject to approval of members of the company.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of re-appointment of Mr. Vikram Baid, Whole time Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members/shareholders of the Company in general meeting.

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 this Resolution."

8. 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 196, 197, 198, 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Articles of Association of the Company and various other laws, rules, regulations as may be applicable including any statutory modification(s) or re-enactment(s), from time to time and subject to the approval of other applicable authorities, if any, the consent of the shareholders of the Company, be and is hereby accorded to the reappointment of Mr. Bharat Kumar Baid as the Managing Director of the Company for a period of 5 (Five) years w.e.f. 01st of April, 2014 as per the under mentioned terms and conditions :

- (I) Basic Salary: Rs. 1,25,000/- p.m. fixed for this year w.e.f. 01.04.2014 which can be increased upto maximum of Rs. 2,00,000/- p.m. during the five years of tenure.
- (II) Perquisites: In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Managing Director :

CATEGORY (A)

- a) Housing
Free furnished residential accommodation with gas, electricity, water, furnishing and maintenance charges. If the Company does not provide residential accommodation, he will be paid such house allowance as the Board may decide from time to time and expenses

on gas, electricity, water, furnishing and maintenance charges will be borne by the Company.

- b) Club Fees
Fees payable subject to a maximum of two clubs.

CATEGORY (B)

In addition to the perquisites, Mr. Bharat Baid shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

- (i) Contribution to Provident Fund / Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
- (iii) Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

- (a) Conveyance
Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.
- (b) Telephone
Free telephone facility at residence. Personal long distance calls shall be billed by the Company.
- (c) Reimbursement of Expenses
Apart from the remuneration as aforesaid, Mr. Bharat Baid, Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- (d) Sitting Fee
No sitting fee shall be paid to Mr. Bharat Baid, Managing Director for attending the Meetings of Board of Directors or any committee thereof. He shall not be liable to retire by rotation.

- (e) Where in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr. Bharat Baid, Managing Director subject to the applicable provisions of Schedule V to the said Act.

The terms & conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in

its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule V annexed to the Companies Act, 2013 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

Other Terms & Conditions :

- (i) Mr. Bharat Baid will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party one-month's prior notice in writing to that effect may terminate the agreement.
- (iii) If at any time Mr. Bharat Baid ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Managing Director.
- (iv) The said appointment of Mr. Bharat Baid on the terms & conditions as set out above including his remuneration as referred above is subject to approval of members of the company.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of re-appointment of Mr. Bharat Baid, Managing Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members/shareholders of the Company in general meeting.

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 this Resolution."

Date: 14.07.2014
Place: Jaipur

By Order of the Board
sd/-
VIKRAM BAID
WHOLE TIME DIRECTOR
DIN No. 00217347

IMPORTANT NOTES :

- 1. The Register of Members and the Share Transfer books of the Company will remain closed from 4th September, 2014 to 6th September, 2014 (both days inclusive) for annual closing.
- 2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES

TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- 4. Corporate members intending to send their authorized 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.
- 5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 8. In terms of Articles of Association of the Company, read with Section 160 of the Companies Act, 2013, Mr. Bhanwar Lal Baid (holding DIN 00212003), Director of the company, retires by rotation at the ensuing Meeting and being eligible, offers himself for reappointment. The Board of Directors of the Company recommends this re-appointment.
- 9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 10. Electronic copy of the Annual Report for 2013-14 is being

sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / [RTA].
13. Electronic copy of the Notice of the Fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Fifth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the fifth Annual General Meeting and the Annual Report for year 2013-14 will also be available on the Company's website www.vinayakpolycon.com. for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 312, Navjeevan Complex, 29, Station Road, Jaipur-302006 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@vinayakpolycon.com
15. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Fifth Annual General Meeting (AGM) by electronic means and the business

may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

CS .Manoj Maheshwari, Company Secretary whole time in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 1st August, 2014.

The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vinayakpolycon.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

The procedure and instructions for e-voting - Please see the back of Electronic Voting Slip

16. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mrs. Anima Bordia as an Additional Director of the Company with effect from July 14, 2014. In terms of the provisions of Section 161(1) of the Act, Mrs. Anima Bordia would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Anima Bordia for the office of Director of the Company. Mrs. Anima Bordia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an

independent director on its Board. The Company has received a declaration from Mrs. Anima Bordia that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. Anima Bordia possesses appropriate skills, experience and knowledge; inter alia, in the field of Management. In the opinion of the Board, Mrs. Anima Bordia fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Copy of the draft letter for appointment of Mrs. Anima Bordia as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Mrs. Anima Bordia, B. Sc.(Home Science), possesses great acumen and business understanding.

Except Mrs. Anima Bordia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the above Ordinary Resolution for your approval.

Item No. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Niraj Nahata as an Additional Director of the Company with effect from July 14, 2014. In terms of the provisions of Section 161(1) of the Act, Shri Niraj Nahata would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Niraj Nahata for the office of Director of the Company. Shri Niraj Nahata is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. The Company has received a declaration from Shri Niraj Nahata that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Shri Niraj Nahata possesses appropriate skills, experience and knowledge; inter alia, in the field of Management. In the opinion of the Board, Shri Niraj Nahata fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Copy of the draft letter for appointment of Shri Niraj Nahata as

an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Shri Niraj Nahata (B.Com., ACA) is a practicing Chartered Accountant in Surat, Gujrat. His vast experience in manufacturing, accounting and financial matters shall be of great assistance to the future growth prospects of your company.

Except Niraj Nahata, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the above Ordinary Resolution for your approval.

Item No. 6

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Pawan Nahata as an Additional Director of the Company with effect from July 14, 2014. In terms of the provisions of Section 161(1) of the Act, Shri Pawan Nahata would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Pawan Nahata for the office of Director of the Company. Shri Pawan Nahata is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. The Company has received a declaration from Shri Pawan Nahata that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Shri Pawan Nahata possesses appropriate skills, experience and knowledge; inter alia, in the field of Management. In the opinion of the Board, Shri Pawan Nahata fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Copy of the draft letter for appointment of Shri Pawan Nahata as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Shri Pawan Nahata is B.Sc. and FCA. His vast experience in manufacturing, accounting and financial matters shall be of great assistance to the future growth prospects of your company.

Except Pawan Nahata, being an appointee, none of the

Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the above Ordinary Resolution for your approval.

Item No. 7

Mr. Vikram Baid is B. Com (Hons.), MBF and ACA. He has an overall rich experience of approx. 15 years in plastic industry. Mr. Vikram Baid, Promoter Director of the Company, is performing very well with his vast experience. He is putting in all the efforts to get the business at heights. In view of extra ordinary services rendered by him, the Board of Directors, subject to the approval of shareholders designated him as an Executive Director of the Company w.e.f. 01.04.2014 at remuneration as specified in the resolution, given in the Notice. The remuneration is subject to periodic reviews by the Board and they would be eligible for suitable increment as may be recommended by the Board.

Except Mr. Vikram Baid, being the appointee and Mr. Bharat Kumar Baid and Mr. Bhanwar Lal Baid, being the relative of the appointee, none of the Directors and Key Managerial Personnel are concerned or interested in the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the above Ordinary Resolution for your approval.

Item No. 8

Mr. Bharat Baid is B. Com, FCA and having rich experience of about 40 years of plastic industry.

Mr. Bharat Baid, promoter & Director of the Company since inception, have a considerable amount of experience in the diversified businesses. Under his guidance and control, Company has been able to survive efficiently inspite of the competitive market scenario.

In view of the capabilities and efforts put in by him, the Board of Directors, subject to the approval of shareholders appointed him as a Managing Director of the Company w.e.f. 01.04.2014 at remuneration as specified in the resolution, given in the Notice. The remuneration is subject to periodic reviews by the Board and they would be eligible for suitable increment as may be recommended by the Board.

Except Mr. Bharat Kumar Baid, being the appointee and Mr. Vikram Baid and Mr. Bhanwar Lal Baid, being the relative of the appointee, none of the Directors and Key Managerial Personnel are concerned or interested in

the said resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the above Ordinary Resolution for your approval.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE :

Re-appointment of Mr. Bhanwar Lal Baid (Item No. 3)

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting to be held on :

Details of Shri Bhanwar Lal Baid, Director of the Company are as follows:

| | |
|---|--|
| Name of the Director | Bhanwar Lal Baid |
| Date of Birth | 30.09.1930 |
| Date of Appointment | 31.12.2009 |
| Designation | Chairman |
| Qualification(s) | L.L.B. |
| Expertise in specific Functional areas | Having expert knowledge & experience in general office administration & legal matters. |
| Name of the Companies in which directorship held as on 31.03.2013 | None |
| Member of the Committee of Board of other companies | None |

Except Mr. Bhanwar Lal Baid, being the appointee and Mr. Bharat Kumar Baid and Mr. Vikram Baid, being the relative of the appointee, none of the Directors are concerned or interested in the said resolution.

Appointment of other Directors (Item Nos. 4 to 8)

For the details of Appointment of other Directors, please refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 4 to 8 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.

By Order of the Board

Date: 14.07.2014
Place: Jaipur

Sd/-
VIKRAM BAID
WHOLE TIME DIRECTOR
DIN No. 00217347

DIRECTORS' REPORT

**To,
The members,
Vinayak Polycron International Limited**

Your Directors have pleasure to present their Fifth Annual Report on the business and operations of the Company alongwith the Audited Statement of Accounts for the financial year ended on 31st March, 2014.

FINANCIAL RESULTS :

The financial performance of the company for the year ended March 31, 2014 is summarized below :

(Amount in Rs. Lacs)

| Particulars | 2013-14 | 2012-13 |
|--------------------------------|---------|---------|
| Income | 1942.86 | 1821.14 |
| Expenses | 1930.62 | 1813.28 |
| Profit for the year before Tax | 12.24 | 7.86 |
| Tax expenses | 3.46 | 2.94 |
| Net Profit after Tax | 8.78 | 4.92 |

PERFORMANCE REVIEW

The company is engaged in the manufacture of Plastic containers and closures. The net receipts from Operations during the year under review were Rs. 1942.86 Lacs as against Rs. 1821.14 Lacs in the previous year. The profit/(Loss) after tax is Rs. 8.78 Lacs as against Rs. 4.92 Lacs in the previous year.

DIVIDEND

In view of future working and expansion projects of the Company, your Directors do not recommend payment of any dividend for the year ended 31st March, 2014.

RESERVES

The Board has not transferred any amount to General Reserve. Whole profit of the Company during the year i.e. Rs. 8.78 Lacs transferred to the profit & loss a/c for the F.Y. 2013-14, in compliance with the relevant provisions of the Companies Act, 1956.

CAPITAL STRUCTURE

During the F.Y. 2013-14 there is no change in capital structure of the Company and paid up share capital of the Company stands at Rs. 3,08,12,950/-.

DIRECTORS

Mahendra Singh Bhandari, Laxmipat Bahadursingh Nahata, Tejkumar Malchand Dugar, who were appointed as Non-Executive Independent Directors of the Company w.e.f 14.09.2011 have resigned from the Directorship of the Company w.e.f 14.07.2014. The Board places on record its gratitude for the services rendered by Mahendra Singh Bhandari, Laxmipat Bahadursingh Nahata and Tejkumar Malchand Dugar during their tenure as member of the Board.

Mrs. Anima Bordia, Mr. Pawan Nahata and Mr. Niraj Nahata were inducted as an Additional director of the Company w.e.f. 14.07.2014 under section 149, 161 of the Companies Act, 2013 and subject to the Articles of Association of the Company to hold office upto the ensuing Annual General Meeting of the Company.

Shri Bhanwar Lal Baid, Director, retires by rotation in terms of provisions of, Companies Act, 2013 and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and other information required under clause 49 of the listing agreement is included in the Notice of Annual General Meeting. The Board recommends his re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report of the financial condition and results of operations of the Company for the year under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

HUMAN RESOURCES DEVELOPMENT/TRAINING

Human Resources are the important asset of any enterprise. Success of any enterprise mainly depends on its human power. In this regard, your company has made best efforts to employ good professionals, staff members, labourers etc.

Vinayak Polycron International Limited is keen to retain best of the human resources by effective training and development programs, by providing reasonable wages and salary by creating good working environment etc. Company's human resources are mobilized in order to strengthen the company internally to face future challenges. Your company is providing a "state of art" working environment to the employees with a view to optimize their performance.

EMPLOYMENT PROFILE & INDUSTRIAL RELATIONS :

As on 31st March, 2014, the Company employed a total of 60 employees of which 12 were Officers and 48 belong to non-executive cadre.

Vinayak Polycron International Ltd. believes in building teams across the business and functions with the aim to share knowledge and experience. Cross functional teams work with clear objectives to solve the issues and create value for the company. The company fosters open dialogue among the employees with the brief that the people, who communicate continuously and openly, build trust and mutual respect.

LISTING OF SECURITIES

The Equity shares of the company are listed with the Bombay Stock Exchange Limited w.e.f. 28.08.2012 and Listing fees for the year 2014-15 has been duly paid.

PUBLIC DEPOSITS

During the year the company has not accepted or renewed any deposits U/S 58A of the Companies Act, 1956, from public.

DEMAT CONNECTIVITY WITH NSDL AND CDSL :

The Company has a demat connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), M/s MAS Services Limited, New Delhi is the appointed Connectivity Agent for dematerialization of securities of the company with NSDL and CDSL.

CORPORATE GOVERNANCE :

The Company has complied with all the mandatory requirements of Corporate Governance specified by Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance, forms part of the Annual Report of the Company. A certificate from M/s A. Natani & Co., Chartered Accountants, Jaipur Auditor of the Company, confirming compliance of conditions of Corporate Governance is annexed with this report.

AUDITORS & AUDITORS' REPORT :

The Statutory Auditors of the Company M/s A. Natani & Co., Chartered Accountants, Jaipur, retires at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The appointment of Statutory Auditors of the company shall be from the conclusion of the forthcoming Annual General Meeting till the conclusion of the tenth Annual General Meeting of the Company. Your Directors recommend their reappointment.

There are no reservations, qualifications or adverse remarks contained in the Auditor's Report attached to Balance Sheet as at 31st March, 2014. Information referred in Auditor's Report are self-explanatory and don't call for any further comments.

COST AUDITOR :

Pursuant to the order No. 52/26/CAB-2010 dated 6th November, 2012 issued By the Ministry of Corporate Affairs (MCA), M/S Bikram Jain & Associates, Cost Accountants, Jaipur were appointed as Cost Auditors to carry out an audit of Cost Accounting Records of the Company for the financial year 2013 -14. The due date for filing the Cost Audit Report for the financial year 2013-14 with the Ministry of Corporate Affairs (MCA) is 180 days from the end of Company's financial year i.e. 27th September, 2014.

INTERNAL AUDITOR :

As per Section 138 of the Companies Act 2013, every Listed Company shall be required to appoint an Internal Auditor or a firm of Internal Auditors. At present Mr. Vikram Baid is Internal Auditor of the Company who will act as Internal Auditors of the Company in line with the provisions of Section 138 of the Companies Act, 2013.

SECRETARIAL AUDITOR :

As per section 204 of Companies Act 2013, every listed company is required to annex with its Board's report, a Secretarial Audit report given by a Company Secretary in practice. In line with this requirement, the Board of Directors has appointed M/s V. M. & Associates, Company Secretaries, Jaipur as Secretarial Auditor of the Company for the financial year 2014-15.

COMPLIANCE CERTIFICATE :

As per the requirements of Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a Certificate from M/s V. M. & Associates, Company Secretaries in Whole-time Practice, confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of the Compliance Certificate is annexed to this report.

PARTICULARS OF EMPLOYEES :

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, as amended read with Companies (Particulars of Employees) Rules, 1975 is NIL.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding foreign exchange earnings and

expenditure were Nil. The other particulars relating to conservation of energy; research and developmental activities and technological absorption are not applicable. However, the management has taken all the necessary steps to conserve the resources to the extent possible.

DIRECTORS'S RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In preparation of the Annual Financial Statements for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review ;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for the preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Annual Financial Statements for the financial year ended on 31st March, 2014 on a 'going concern basis'.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI Regulations on prevention of insider trading, the Company has formulated and implemented a comprehensive Code of Conduct for Prevention of Insider Trading by its management and employees. The code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of Company.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Central & State government, Local Authorities, Client, Vendors, Advisors, Consultants, Associates at all levels for their continued guidance and support. Your Directors also wish to place on record their deep sense of appreciation for their commitment, dedication and hard work put in by every member of the our Company.

To them goes the credit for the Company's achievement and to you, our shareholders we are deeply grateful for the confidence and the faith that you have always reposed in us.

PLACE: JAIPUR FOR AND ON BEHALF OF THE BOARD

DATE: 14.07.2014

Sd/-
BHARAT KUMAR BAID
MANAGING DIRECTOR

Sd/-
VIKRAM BAID
WHOLE TIME DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

During the period under review there is significant increase in the use of plastic including PET Containers throughout the country. Clear Visibility of packed product in primary and secondary packaging has gained importance. The buyer wants to clearly see the inner contents before buying and wants the container to be unbreakable, child safe and durable. This led to great increase in manufacturing of plastic wares in the country especially PET.

Your company is on its way to capitalize on this trend, through improved production of plastic products and through alliances with the suppliers who have specific expertise in the related field. At the same time, there was a significant shortage of Power in Tamil Nadu, where the factory is located, which led to higher dependence on Self-generated Electricity. This situation is bound to improve once the installed plant in Kudankulam in Tamil Nadu starts.

OPPORTUNITY

The consumption of plastic is increasing at the rapid speed as it is easy and convenient to use and can easily be recycled. It paves a path to the companies to make new development for the better positioning in the market. The ability to see the contents off the shelves before buying in a transparent container is always preferred over others.

Vinayak Polycon International Limited continuously striving to increase its production and aims to provide better quality products to its consumers along with making strong position in domestic market.

THREATS

- Temporary decline in the economic activity
- Increase competition in the plastic industry due to entry of new players

- Introduction of new technologies
- Introduction of new taxes
- Introduction of new Tax Free Zones in India
- Any unfavourable change in Government Policies may affect the profitability of the company.
- Threat of substitutes.
- Shortage of Electricity in Tamil Nadu

As the company is engaged in only one segment of plastic items there is no need to elaborate segment wise performance.

OUTLOOK

The Outlook of your Company is promising, in light of its refreshed mission and vision and clear strategic framework. Vinayak Polycron International Limited leadership team and employees at all levels are in line with the strategy and working towards making it a success. The Company's product development team has developed an exciting range of plastic items which will fuel our growth in future.

RISKS AND CONCERNS

Competition is increasing day-by-day in all fields of business. Similarly, there is competition in plastic industries too. The company is facing various risks and obstacles which includes inflation risk, credit risk, interest rate risk, non-availability of raw-material, high prices etc.

In order to overcome such situations company is fully aware towards the preparation of appropriate programs, adoption of suitable policies and to take corrective and precautionary measures for safeguarding the company's market position and further to strengthening it.

ADEQUACY OF INTERNAL CONTROL SYSTEM

The Company has a comprehensive system of internal controls to safeguard the company's assets against loss from unauthorized use and ensure proper authorization of financial transactions.

The company has an exhaustive budgetary control system to monitor all expenditures against approved budget on an ongoing basis.

The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirement.

The management duly considers and take appropriate actions on the recommendation made by Audit Committee of the Board

of Directors.

EMPLOYMENT PROFILE & INDUSTRIAL RELATIONS :

As on 31st March, 2014, the Company employed a total of 65 employees of which 14 were Officers and 41 belong to non-executive cadre.

Vinayak Polycron International Ltd. believes in building teams across the business and functions with the aim to share knowledge and experience. Cross functional teams work with clear objectives to solve the issues and create value for the company. The company fosters open dialogue among the employees with the brief that the people, who communicate continuously and openly, build trust and mutual respect.

EQUAL OPPORTUNITY TO ALL THE EMPLOYEES

The Company has always provided a congenial atmosphere for work to all sections of the society. Your Company is committed to respect universal human rights. To that end, the Company practices and seeks to work with business associates who believe and promote these standards. The Company is committed to provide equal opportunities at all levels, safe and healthy workplaces and protecting human health and environment. The Company provides opportunities to all its employees to improve their skills and capabilities. The Company's commitment extends to its neighboring communities to improve their educational, cultural, economic and social well-being. Your Company is an equal opportunity employer and does not discriminate on the grounds of race, religion, nationality, ethnic origin, colour, gender, age, citizenship, sexual orientation, marital status or any disability not affecting the functional requirements of the position held.

CAUTIONARY STATEMENT

Statement in this management discussion and analysis describing the Company's objectives, projections, estimate, and expectations may be forward looking statement within the meaning of applicable laws and regulations.

Actual results would differ substantially or materially from those expressed or implied. Important factors that could affect the company's operations include domestic and international economic conditions in the industry, significant changes in political and economic environment in India, changes in government regulations, tax regimes, litigation, labour relation and other statutes.

CORPORATE GOVERNANCE REPORT

The Report on the compliance of the Corporate Governance code is given below:

1. CORPORATE GOVERNANCE

1.1 COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's Philosophy on Corporate Governance envisages working towards high levels of transparency, accountability and responsibility, consistent value systems, delegation, fairness and timely disclosures across all facts of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers and statutory authorities.

1.2 CORPORATE GOVERNANCE STRUCTURE:

Vinayak Polycron's structure is based on freedom to the executive management within the given framework to ensure that the power is vested in the Executive management are exercised with due care and responsibilities to meet our mission to create the value for all stakeholders. It ensures distribution of role and responsibilities among different participants in the organization for smooth and uninterrupted functioning of the corporate as in whole.

2. BOARD OF DIRECTORS

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company, and reviews and monitors its strategic direction and annual business plan and business objectives. Acting as trustees on behalf of the shareholders, the Board ensures that the Company has clear goals in enhancing value and growth for all the stakeholders associated with the Company and follows best governance practices.

COMPOSITION

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 of the Listing Agreement. None of the Directors on the Board is a Director in more than 15 (Fifteen) companies and member on more than ten Committees or act as Chairman of more than five Committees as per Clause 49 and Companies Act, 1956 across all Companies in which they are Directors. The composition and category of Directors as is as follows:

| Category | Name of Directors | DIN |
|--------------------------------------|--------------------------------|----------|
| Chairman & Non-executive Director | BHANWAR LAL BAID | 00212003 |
| Managing Director | BHARAT KUMAR BAID | 00212506 |
| Executive Director | VIKRAM BAID | 00217347 |
| Independent & Non-executive Director | ANIMA BORDIA*1 | 06941148 |
| Independent & Non-executive Director | PAWAN NAHATA*1 | 06945991 |
| Independent & Non-executive Director | NIRAJ NAHATA*1 | 06830067 |
| Independent & Non-executive Director | LAXMIPAT BAHADURSINGH NAHATA*2 | 00255218 |
| Independent & Non-executive Director | TEJKUMAR MALCHAND DUGAR*2 | 03048895 |
| Independent & Non-executive Director | MAHENDRA SINGH BHANDARI*2 | 03622017 |

*1 Appointed as Additional Directors w.e.f.14.07.2014.

*2 Resigned from the Board w.e.f 14.07.2014.

The composition of the Board is in conformity with Clause 49, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and, in case the Chairman is a non-executive Director, at least one-third of the Board should be independent and in case he is an executive director, at least half of the Board should comprise of independent directors.

The non-executive Directors are appointed or re-appointed with the approval of the shareholders. All non-executive Directors are liable to retire by rotation, unless otherwise approved by the shareholders. One-third of the Directors, who are liable to retire by rotation, retires every year and is eligible for re-appointment. According to the terms of the Company's Articles of Association, the strength of the Board shall not be less than three and more than fifteen.

Board Procedure

The members of the Board are provided with the requisite information mentioned in the Listing Agreement well before the Board meetings.

The Board considers all the matters, which are statutorily required to be considered by it. In addition the following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment /expansion /modernization /diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly / half-yearly / annual results (after review by Audit Committee).
- Compliance with statutory / regulatory requirements and review of major pending legal cases.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition /disposal of fixed assets /related party transactions.
- Review of working of various committees of the Board.
- Significant labour problems, if any.
- Minutes of the meeting of other committee and other committee of board.
- Any material default in financial obligation to and by the Company, or substantial non payment for goods sold by company.

Details of Shareholding of Directors as on 31st March, 2014

| Sr. No. | Name of Director | Number of shares |
|---------|------------------------------|------------------|
| 1. | BHANWAR LAL BAID | 82,338 |
| 2. | BHARAT KUMAR BAID | 95,048 |
| 3. | VIKRAM BAID | 76,076 |
| 4. | LAXMIPAT BAHADURSINGH NAHATA | NIL |
| 5. | TEJKUMAR MALCHAND DUGAR | NIL |
| 6. | MAHENDRA SINGH BHANDARI | NIL |

The Company has not issued any shares / debentures during the year.

Board Meetings

As per the statutory provisions the Board is required to meet at least once every quarter and minimum 4 times in a year with the time gap between two consecutive meetings not exceeding four months. Additional meetings are held as and when necessary. As against this, during the period under review the Board held 6 (Six) meetings on 19.05.2013, 30.05.2013, 14.08.2013, 14.11.2013, 13.02.2014 and 31.03.2014 to consider amongst other business, the quarterly / annual performance of the Company and its financial results.

The draft of the minutes prepared by the Company is circulated among the Directors for their comment / suggestion and finally after incorporating their views, final minutes are recorded in the minute's books. Post meeting, important decisions taken are communicated to the concerned officials and departments for the effective implementation of the same.

The particulars of Directors, their attendance at the Board Meeting during the financial year 2013-14 and also other directorships (Excluding directorship in private companies, Section 8 Companies and foreign companies) and Board Committees as at 31st March, 2014 are as under :

| Name of Directors | Board Meetings attended | Attendance at last AGM | Number of Directorship Held in other Public companies* | Board Committee Membership/ Chairmanship held in other Public companies |
|------------------------------|-------------------------|------------------------|--|---|
| BHANWAR LAL BAID | 6 | Present | Nil | None |
| BHARAT KUMAR BAID | 6 | Present | Nil | None |
| VIKRAM BAID | 6 | Present | Nil | None |
| LAXMIPAT BAHADURSINGH NAHATA | 4 | Present | Nil | None |
| TEJKUMAR MALCHAND DUGAR | 4 | Absent | Nil | None |
| MAHENDRA SINGH BHANDARI | 6 | Present | Nil | None |

*The category of public Companies also includes subsidiary Company of public Companies under the Companies Act, 1956.

3. BOARD COMMITTEES

The Company has Three Board-level committees - Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee. The committee appointed by the board focuses on specific area and take informed

decision within their delegated authority. The committee also makes specific recommendations to the board on various matters from time to time.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors. Details of the committees, including the number of meetings held during the financial year and the related attendance are provided below:

3.1 AUDIT COMMITTEE

COMPOSITION :

The Audit Committee comprises of three Directors, Two of whom are Non-Executive, Directors. The Chairman of the Audit Committee possesses knowledge by corporate finance, accounts and company law. The constitution of the Audit Committee of Directors as on 31st March, 2014 is as under :

| S.NO. | NAME OF DIRECTOR | DESIGNATION IN COMMITTEE | NATURE OF DIRECTORSHIP |
|-------|-----------------------------|--------------------------|------------------------|
| 1. | Mr. Laxmipat Nahata | Chairman | Independent Director |
| 2. | Mr. Mahendra Singh Bhandari | Member | Independent Director |
| 3. | Mr. Vikram Baid | Member | Executive Director |

MEETINGS AND ATTENDANCE :

During the financial year ended March 31, 2014, 4 (Four) Audit Committee Meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014.

The attendance at the Audit Committee Meetings is as under :

| Name of Director | No. of meetings attended |
|-----------------------------|--------------------------|
| Mr. Laxmipat Nahata | 4 |
| Mr. Mahendra Singh Bhandari | 4 |
| Mr. Vikram Baid | 4 |

The Compliance Officer of the Company acts as the secretary to the committee.

TERMS OF REFERENCE

The primary 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 and at the same time maintain the integrity and quality of the financial reporting.

The role of the Audit Committee includes :

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending the board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Directors' Report in terms of section 217(2AA) of the Companies Act, 1956.
 - Changes if any in accounting policies, practices, and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue i.e. public issue, rights issue, preferential issue, etc.
6. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of any nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. 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.

12. To review the functioning of the whistle blower mechanism.
- 12A Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
13. Carrying out such other work as may be specifically referred to the committee by the Board of Directors and / or other Committees of Directors of the Company.
14. To review the following information:
 - a. Management Discussion and Analysis of financial condition and results of operation;
 - b. Statements of significant related party transactions;
 - c. Management letters/letters of internal control weakness issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weakness; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditors.

Power of Audit Committee

- To investigate any activity with in terms of reference.
- To seek information from any employee in respect of matter under its preview.
- Obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if consider necessary.

3.2 NOMINATION AND REMUNERATION COMMITTEE :

The Board of Directors vide resolution passed at meeting of Board of Directors dated 30th May, 2014 renamed and reconstituted the Present Remuneration Committee to "Nomination and Remuneration Committee" in accordance with section 178 of the Companies Act, 2013.

COMPOSITION :

The Nomination and Remuneration Committee comprises of three Directors, Two of whom are Non-Executive Independent Directors. The constitution of the Nomination and Remuneration Committee of Directors is as on 31st March, 2014 as under :

| S.NO. | NAME OF DIRECTOR | DESIGNATION IN COMMITTEE | NATURE OF DIRECTORSHIP |
|-------|-----------------------------|--------------------------|------------------------|
| 1. | Mr. Mahendra Singh Bhandari | Chairman | Independent Director |
| 2. | Mr. Laxmipat Nahata | Member | Independent Director |
| 3. | Mr. Vikram Baid | Member | Executive Director |

MEETINGS AND ATTENDANCE :

1 (One) meeting viz. 31.03.2014, was held for the financial year ended on 31st March, 2014.

The attendance at the Nomination and Remuneration Committee Meetings is as under :

| Name of Director | No. of meetings attended |
|-----------------------------|--------------------------|
| Mr. Mahendra Singh Bhandari | 1 |
| Mr. Laxmipat Nahata | 1 |
| Mr. Vikram Baid | 1 |

REMUNERATION POLICY

A. Remuneration to Managing Director and Whole-time Directors

Payment of remuneration to Managing and Whole-time Directors is governed by the respective Agreements executed between them and the Company and which is recommended by the Nomination and Remuneration Committee and further is within the limits set by the Shareholders at the Annual General Meetings.

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2014.

| Name of Director | Salary & Benefits | Commission | Sitting fees |
|----------------------|-------------------|------------|--------------|
| Mr. Bhanwar Lal Baid | NIL | NIL | NIL |
| Mr. Bharat Baid | 12.75 Lacs | NIL | NIL |
| Mr. Vikram Baid | 9.46 Lacs | NIL | NIL |

Note :

The Company does not have any pecuniary relationship with any Non-Executive Independent Directors.

No sitting fee is paid to any of the Directors of the Company for attending the Board Meetings.

Terms of reference - The terms of reference of Nomination and Remuneration Committee, inter-alia, include: -

1. To recommend to the Board, compensation terms of the Executive Directors.
2. To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Board of Directors vide resolution passed at meeting of Board of Directors dated 30th May, 2014 renamed and reconstituted the Present Share transfer and shareholder's Grievance Committee to Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013.

COMPOSITION :

The Stakeholders Relationship Committee comprises of three Directors, Two of whom are Non-Executive Independent Directors. The constitution of the Stakeholders Relationship Committee of Directors is as on 31st March, 2014 as under :

| S.NO. | NAME OF DIRECTOR | DESIGNATION IN COMMITTEE | NATURE OF DIRECTORSHIP |
|-------|-----------------------------|--------------------------|------------------------|
| 1. | Mr. Mahendra Singh Bhandari | Chairman | Independent Director |
| 2. | Mr. Laxmipat Nahata | Member | Independent Director |
| 3. | Mr. Vikram Baid | Member | Executive Director |

There were 2 transfers of shares during the year.

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2014, 2 (Two) Stakeholders Relationship Committee Meetings were held on 20.05.2013 and 08.07.2013.

| | |
|---|-----|
| Complaint received and attended during the year Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI and so on. | Nil |
| Number of Complaints Resolved | Nil |
| Number of Complaints not resolved as on 31st March, 2014 | Nil |
| Number of Complaints pending as on 31st March, 2014 | Nil |

Terms of Reference :

The scope, terms of reference and functioning of the Committee is as prescribed under Clause 49 of the Listing Agreement. The primary functions carried out by the Committee are to approve requests for share transfers and transmissions to approve the requests pertaining to demat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. and for this purpose the required authority has been delegated to Shri Vikram Baid.

COMPLIANCE OFFICER

The Board has designated Mr. Vikram Baid as the Compliance Officer.

4. CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT :

The code of Business conduct and ethics for Directors and Senior Management covers amongst other things the

Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environmental performance, health & safety, transparency and compliance of law & regulation etc. The code of conduct has been posted on the website of the Company.

All the board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director to that effect has been reproduced below.

Declaration regarding compliance with the code of business conduct and ethics :

I hereby confirm that :

The Company has obtained from all the members of the board and senior management, affirmation that they have complied with the code of business conduct and ethics for directors and senior management in respect of the financial year 2013-14.

Sd/-
Bharat Kumar Baid
Managing Director

5. WHISTLE BLOWER POLICY

With the rapid expansion of the business in terms of volume, value and geography, the risk associated with each of them has also increased considerably. One such risk identified is the risk of fraud and misconduct. To strengthen the process of conducting business in a fair, transparent and ethical manner, the Company has set up a mechanism of Whistle Blower Policy. The Company takes any activity of fraud or misconduct very seriously. This Policy is intended to govern reporting and investigation of allegations on violations of the Code of Conduct of the Company, for which a dedicated email id whistlepolycon@bsnl.in has been established. Mr. Laxmipat Nahata, Chairman of the Audit Committee of the Company has been nominated by the Board as Ombudsperson for this purpose. No employee was denied access to the Audit Committee during the year.

6. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Comprehensive guidelines in accordance with the SEBI regulations are in place. The code of Conduct and corporate disclosure practices framed by the company has helped in ensuring compliance with the requirements.

7. GENERAL BODY MEETINGS :
7.1 Annual General Meeting

Details of last 4 Annual General Meetings are as under :

| Financial Year | Date | Location of the Meeting | Time |
|----------------|------------|---|------------|
| 1st AGM | 27/12/2010 | K-18, Durgadas Path, Malviya Marg, C-Scheme, Jaipur-302001 | 11.00 A.M. |
| 2010-2011 | 14/09/2011 | 312, Navjeevan Complex, 29, Station Road, Jaipur-302006. | 4.30 P.M. |
| 2011-2012 | 01/09/2012 | "Parmanand Hall", Ashok Marg, C-scheme, Jaipur-302001 | 03:00 P.M. |
| 2012-2013 | 07/09/2013 | "Parmanand Hall", Ashok Marg, C-scheme, Jaipur-302001 | 03:00 P.M. |

7.2 Extra Ordinary General Meeting

In addition to the Annual General Meeting, the Company holds general meeting of the shareholders as and when needed. There was no Extra-Ordinary General Meeting was held during the year.

7.3 Postal Ballot

During the year, no resolution was passed through Postal Ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing through postal ballot.

8. DISCLOSURES

RELATED PARTY TRANSACTION

Related party transactions are defined as transactions of the Company of a material nature with its Promoters, Directors or the Management, their subsidiary or relatives, etc. that may have potential conflict with the interest of the Company at large.

All transaction covered under the Related Party Transactions are regularly ratified and/or approved by the Board. There has been no transaction of the Company with its promoters, their subsidiary or the management that may have conflict with the interest of the Company at large.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all the relevant accounting standards issued by Institute of Chartered Accountants of India (ICAI) to the extent applicable.

STATUTORY COMPLIANCE, PENALTIES AND STRICTURES :

The Company has not complied with the regulations pertaining to Listing Agreement and company law compliances. The trading in Equity shares of the Company is currently suspended in the stock exchanges.

TRANSACTION WITH NON EXECUTIVE DIRECTOR

There are no pecuniary relationships or transaction of Non Executive Director vis-à-vis the Company which had any potential conflict with the interest of the Company at large.

COMPLIANCE

- I. The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreements and of the Securities and Exchange Board of India (SEBI). The Company has complied with and adopted the mandatory requirements of Corporate Governance Code.
- II. The Company follows the guidelines as recommended from time to time by Institute of Company Secretaries of India (ICSI). One such instance is the adoption of Secretarial Standards in respect to preparation and recording of minutes and other statutory records and registers.
- III. In respect to audit qualifications, the Company is making conscious efforts towards moving into a regime of unqualified financial statements.

9. MEANS OF COMMUNICATION

- a. Quarterly, half yearly and annual financial Results were published in one English leading national newspaper and one Hindi newspaper of repute circulated widely in the regional language of the state.
- b. The Company's Results and other corporate announcement are regularly sent to the stock exchanges.
- c. All price sensitive information is made available at the earliest through newspapers and intimated to the stock exchanges for public dissemination.
- d. Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.

10. GENERAL SHAREHOLDER'S INFORMATION

10.1 Date, Time and Venue of Annual General Meeting

Date : Saturday, the 06th day of September, 2014

Time : 3.00 P.M.

Venue : "Parmanand Hall", Ashok Marg, C-Scheme,
Jaipur-302001.

10.2 Company Registration Details

The Company is registered in the State of Rajasthan, India.

The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25209RJ2009PLC030620.

10.3 Financial Year :

1st April 2013 to 31st March, 2014

10.4 Tentative Financial Calendar (For 2014-15) :

The tentative schedule of Financial Results of the Company is as follows :

| | |
|------------------------------------|-------------------------------------|
| June Quarter Ending Results :- | Within 45 days from end of quarter. |
| September Quarter Ending Results:- | Within 45 days from end of quarter. |
| December Quarter Ending Results:- | Within 45 days from end of quarter. |
| March Quarter/Year Ending Results | Within 60 days from end of quarter. |

10.5 Book Closure Date :

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 4th September, 2014 to Saturday, 6th September, 2014 (both days inclusive).

10.6 Listing on Stock Exchanges :

The equity shares are presently listed on Bombay Stock Exchange Limited (BSE).

10.7 Payment of Listing fees

The Company has paid the listing fee upto 31st March 2015 to the Bombay Stock Exchange (BSE).

10.8 Stock Code :

Bombay Stock Exchange : 534639

10.9 Demat ISIN for NSDL and CDSL :

INE581M01016

10.10 Registrar and Share Transfer Agent

MAS Services Ltd, New Delhi, is the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares transfers. The address and contact detail of the same is given below:

MAS Services Ltd

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi-110020
Phone No.:+91-11-2638 7281 82, 83
Fax no.:+91-11-2638 7384
E-mail: info@masserv.com

10.11 Stock Market Data

The monthly high and low quotations at BSE during 2013-14 is given below :

| Month | High | Low | No. Of Shares |
|----------------|------|------|---------------|
| November, 2013 | 5.32 | 5.32 | 62 |
| December, 2013 | 5.06 | 5.06 | 133 |
| February, 2014 | 6.43 | 5.31 | 1578 |
| March, 2014 | 7.43 | 6.75 | 3 |

10.12 Shareholding Pattern as on 31st March, 2014 :

| Category | No. of Shares | Percentage |
|---|----------------|----------------|
| Indian Promoters | 1559877 | 50.62% |
| Foreign Promoters | 0 | 0.00% |
| Persons Acting In Concert | 0 | 0.00% |
| Mutual Funds & UTI | 0 | 0.00% |
| Banks/ Financial Institutions | 0 | 0.00% |
| Foreign Institutional Investors | 0 | 0.00% |
| Body Corporate | 1025502 | 33.28% |
| Indian Public | 489567 | 15.89% |
| NRIs/ OCB | 1240 | 0.04% |
| HUF | 0 | 0.00% |
| Any Other (Clearing Members Demat Transit) | 5109 | 0.17% |
| GRAND TOTAL | 3081295 | 100.00% |

10.13 Distribution Schedule As on 31st March, 2014 :

The shareholding pattern of the equity shares of as on 31st March 2014 is given below :

| Shareholding of Nominal value holders | No. of Share-holders | % of share-holders | No. of Shares | Amount (In Rs.) | % of Total Shares |
|---------------------------------------|----------------------|--------------------|---------------|-----------------|-------------------|
| 0001 - 5000 | 518 | 67.890 | 99551 | 995510 | 3.231 |
| 5001 - 10000 | 156 | 20.446 | 119232 | 1192320 | 3.87 |
| 10001 - 20000 | 44 | 5.767 | 63511 | 635110 | 2.061 |
| 20001 - 50000 | 13 | 1.703 | 38521 | 385210 | 1.25 |
| 50001 & above | 32 | 4.194 | 2760480 | 27604800 | 89.588 |

10.14 Address for correspondence
Vinayak Polycron International Limited

312, Navjeevan Complex,
29, Station Road, Jaipur-302006.

Contact No.:0141-2377007

Email: investor@vinayakpolycon.com

**COMPLIANCE CERTIFICATE**

CIN: - L25209RJ2009PLC030620
Nominal Capital: - Rs. 32,500,000/-

To,
The Members,
Vinayak Polycon International Limited
312, Navjeevan Complex,
29, Station Road, JAIPUR - 302006

We have examined the registers, records, books and papers of VINAYAK POLYCON INTERNATIONAL LIMITED ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers, we certify that in respect of the aforesaid financial year :

- the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- the Company has duly filed the forms as stated in Annexure 'B' to this certificate, with the Registrar of Companies, through Ministry of Corporate Affairs within the time prescribed under the Act and the rules made thereunder. However, no forms were required to be filed with Regional Director, Central Government, Company Law Board or other authorities.
- the Board of Directors duly met 6 (Six) times on 19.05.2013, 30.05.2013, 14.08.2013, 14.11.2013, 13.02.2014 and 31.03.2014 in respect of which meeting proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, no resolution was passed by circulation.
- the Company closed its Register of Members from Friday, 06th September, 2013 to Saturday, 7th September, 2013 (both days inclusive) and necessary compliance of Section 154 of the act has been made.
- the Annual General Meeting for the financial year ended on 31st March, 2013 was held on Saturday, 07th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- the Company has duly compiled with the provisions of section 297 of the Act in respect of contracts specified in that section.
- the Company has made necessary entries in the register maintained under Section 301 of the Act.
- the Company has:-
 - delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act duly complied with the requirements of Section 217 of the Act.
 - the Board of Directors of the Company is duly constituted. There was re-appointment of Mr. Laxmipat Bahadursingh Nahata who retired by rotation .However, there was no appointment of Additional Directors, Alternate Directors

- and Director to fill casual vacancy during the financial year.
- the Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 - the Company has complied with the provisions of Section 58A and 58AA read with Rule 2(b)(iv) of the Companies (Acceptance of Deposit) Rules, 1975 to the extent of unsecured loans taken from Body Corporates, being exempted.
 - The Amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March ,2014 are within the borrowing limits of the company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting.
 - the company has generally deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to Section 418 of the Act.
 - other paras of the Companies (Compliance Certificate) Rules, 2001 are either NIL or NOT APPLICABLE for the current period.

PLACE: JAIPUR
DATE: 14.07.2014

FOR V. M. & ASSOCIATES
COMPANY SECRETARIES
Sd/-
CS V. M. DAVE
PARTNER
Certificate of Practice No: 452

Annexure A

| Registers as maintained by the Company : | | |
|--|---|----------|
| 1. | Register of Charges | u/s 143 |
| 2. | Register of Members | u/s 150 |
| 3. | Minutes Book of Board and General Meeting | u/s 193 |
| 4. | Register of contracts in which directors are interested | u/s 301 |
| 5. | Register of Directors | u/s 303 |
| 6. | Register of Directors' Shareholding | u/s 307 |
| 7. | Register of Investments | u/s 372A |
| 8. | Register of Application for & Allotment of Shares | ----- |

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, through Ministry of Corporate Affairs during the financial year ending on 31st March, 2014 :

- E-Form No. 66 along with Compliance Certificate filed u/ s 383A for the financial year ended 31.03.2013, filed in time on 30.09.2013.
- E-Form No. 20B alongwith Annual Return under Schedule V, for the Annual General Meeting held on 07.09.2013, filed in time on 04.10.2013.
- E-Form No. 23AC & 23ACA (XBRL) along with Balance Sheet and Profit & Loss Account for the year ended on 31.03.2013, filed u/s 220 in time on 05.10.2013.

11. CEO & CFO CERTIFICATE

Certificate from CEO & CFO for the financial year ended on March 31, 2014 has been annexed to the Annual Report.

Certification by the Managing Director [MD-CEO] and Chief Financial Officer (CFO) on Financial Statements of the Company :

To,
The Board of Directors,
Vinayak Polycon International Ltd,
Jaipur

We, Bharat Kumar Baid, Managing Director (CEO) and Vikram Baid, (CFO) of Vinayak Polycon International Limited, to the best of knowledge and belief, certify that:

- (a) We have reviewed financial statements (Balance sheet, profit & loss Account and all the schedules and notes on accounts) and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Sd/-
BHARAT KUMAR BAID
MANAGING DIRECTOR (CEO)
PLACE: JAIPUR
DATE: 14.07.2014

Sd/-
VIKRAM BAID
CHIEF FINANCIAL OFFICER

Auditor's Certificate on Corporate Governance

To The Members,
Vinayak Polycon International Limited

We have examined the compliance of conditions of Corporate Governance by Vinayak Polycon International Limited, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Jaipur
Date: 30-05-2014

FOR A.NATANI & CO.
Chartered Accountants
Firm Reg. No. 007347C

Sd/-
ASHOK KUMAR NATANI
Partner
Membership No. 074692

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Vinayak Polycon International Limited

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s.Vinayak Polycon International Ltd. ('the Company') which comprises the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the companies Act,1956 ("the Act") (which continue to be applicable in respect of section 133 of the companies Act, 2013 in terms of General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014
- (b) In the case of Statement of Profit and Loss, of the Profit of the company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash flows of the company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books of account.
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of section 133 of the companies Act,2013 in terms of General Circular 15/2013 dated 13th September,2013 of the Ministry of Corporate Affairs)
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies act, 1956.

Place : Jaipur
Date : 30-05-2014

FOR A.NATANI & CO.
Chartered Accountants
Firm Reg. No. 007347C

Sd/-
ASHOK KUMAR NATANI
Partner
Membership No. 074692

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report of even date to the members of M/s Vinayak Polycron International Limited (the company) for the year ended on 31st March, 2014. We report that:-

- 1(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories :
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of the inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
 3. The Company has neither granted not taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5; In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
 - 6 The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
 - 7 In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
 - 8 We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section(1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 9 In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
- (b) There are no disputed statutory dues on account of disputed matters pending before appropriate authorities.
10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- 12 In our opinion and according to the explanations given to us and based on the information's available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14 The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- 15 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year, and does not have any debentures outstanding as at the year end.
- 20 The Company has not raised any monies by way of public issues during the year.
- 21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place : Jaipur
Date : 30-05-2014

FOR A.NATANI & CO.
Chartered Accountants
Firm Reg. No. 007347C

Sd/-
ASHOK KUMAR NATANI
Partner
Membership No. 074692



VINAYAK POLYCON INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31st MARCH 2014

(Amt. In Rs.)

| PARTICULARS | Note | AS AT | AS AT |
|--------------------------------|--------------|--------------------|--------------------|
| | | 31.03.2014 | 31.03.2013 |
| EQUITY AND LIABILITIES | | | |
| Shareholder's Fund | | | |
| Share Capital | 3 | 30,812,950 | 30,812,950 |
| Reserve and Surplus | 4 | 5,633,839 | 4,755,681 |
| | | <u>36,446,789</u> | <u>35,568,631</u> |
| Non Current Liabilities | | | |
| Long Term Borrowings | 5 | 20,506,652 | 31,889,788 |
| Deferred Tax Liability (Net) | 6 | 2,495,794 | 2,826,232 |
| Other Long Term Liabilities | | | |
| Long Term Provisions | | | |
| | | <u>23,002,446</u> | <u>34,716,020</u> |
| Current Liabilities | | | |
| Short Term Borrowings | 7 | 26,759,285 | 27,045,371 |
| Trade Payables | 8 | 5,147,100 | 3,467,793 |
| Other Current Liabilities | 9 | 9,885,214 | 11,878,807 |
| Short Term Provisions | 10 | 2,271,119 | 943,952 |
| | | <u>44,062,718</u> | <u>43,335,923</u> |
| | TOTAL | 103,511,953 | 113,620,574 |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 46,839,057 | 57,415,908 |
| Capital Work in Progress | | | |
| Non Current Investments | | | |
| Long Term Loans and Advances | 12 | 1,164,144 | 1,816,255 |
| | | <u>48,003,201</u> | <u>59,232,163</u> |
| Current Assets | | | |
| Current Investments | | | |
| Inventories | 13 | 8,639,116 | 11,718,230 |
| Trade Receivables | 14 | 29,754,292 | 26,820,717 |
| Cash and Cash Equivalents | 15 | 303,970 | 921,000 |
| Short Term Loans and Advances | 16 | 16,625,927 | 14,650,293 |
| Other Current Assets | 17 | 185,447 | 278,171 |
| | | <u>55,508,752</u> | <u>54,388,411</u> |
| | TOTAL | 103,511,953 | 113,620,574 |

Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For A. Natani & Co.

Chartered Accountants

Firm Regn. No. 007347C

Sd/-

CA Ashok Kumar Natani

Partner

Membership No. 074692

For and on behalf of the Board of Directors

Sd/-

Bhanwar Lal Baid

Chairman

DIN:00212003

Sd/-

Bharat Baid

Managing Director

DIN:00212506

Sd/-

Vikram Baid

Director

DIN:00217347

Place : Jaipur

Date : 30.05.2014

VINAYAK POLYCON INTERNATIONAL LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2014

| PARTICULARS | Note | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 |
|--|--------------|----------------------------------|----------------------------------|
| (Amt. In Rs.) | | | |
| INCOME | | | |
| Revenue from Operations | 18 | 239,225,103 | 224,536,798 |
| Less: Excise Duty | | 45,192,242 | 42,522,441 |
| Net Revenue from Operations | | 194,032,861 | 182,014,357 |
| Other Income | 19 | 253,171 | 99,136 |
| | TOTAL | 194,286,032 | 182,113,493 |
| EXPENSES | | | |
| Cost of Material Consumed | 20 | 124,785,624 | 114,513,803 |
| Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade | 21 | (300,901) | 24,944 |
| Employee Benefits Expense | 22 | 14,282,763 | 13,218,326 |
| Finance Cost | 23 | 6,793,058 | 8,407,429 |
| Depreciation and Amortization Expense | 11 | 9,050,033 | 10,077,666 |
| Other Expenses | 24 | 38,451,252 | 35,085,737 |
| | TOTAL | 193,061,829 | 181,327,905 |
| PROFIT/(LOSS) BEFORE TAX | | 1,224,203 | 785,588 |
| Less: Tax Expenses | | | |
| Current Tax | | (676,483) | (445,000) |
| Deferred Tax | | 330,438 | 151,233 |
| PROFIT FOR THE YEAR | | 878,158 | 491,821 |
| Earnings per Equity Share of face value of Rs. 10/- each | | | |
| Basic | 25 | 0.28 | 0.16 |
| Diluted | 25 | 0.28 | 0.16 |
| Significant Accounting Policies | 2 | | |

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For A. Natani & Co.
Chartered Accountants
Firm Regn. No. 007347C
Sd/-
CA Ashok Kumar Natani
Partner
Membership No. 074692

For and on behalf of the Board of Directors

Sd/-
Bhanwar Lal Baid
Chairman
DIN:00212003

Sd/-
Bharat Baid
Managing Director
DIN:00212506

Sd/-
Vikram Baid
Director
DIN:00217347

Place : Jaipur
Date : 30.05.2014



VINAYAK POLYCON INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

| | 2013-2014 (in Rs.) | 2012-2013 (in Rs.) |
|--|-----------------------|-----------------------|
| A | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 1,224,203 | 785,588 |
| Adjustment for : | | |
| Depreciation | 9,050,033 | 10,077,666 |
| Preliminary/Deferred Expenses Written off | 92,724 | 92,724 |
| Profit/Loss on sale of Investment/Assets | (246,355) | - |
| Provision written back | (6,816) | - |
| Foreign Exchange | - | - |
| Interest & Other income on Investments | - | (99,136) |
| Interest | 6,793,058 | 8,407,429 |
| Operating profit before working capital changes | 16,906,847 | 19,478,683 |
| Adjustment for (Increase) / Decrease in Operating Assets | | 19,264,271 |
| Inventories | 3,079,114 | 1,847,568 |
| Trade Receivables | (2,933,575) | (4,019,899) |
| Short Term Loans and Advances | (1,959,798) | (717,540) |
| Long Term Loans and Advances | 652,111 | - |
| Other Current Assets | - | - |
| Other Non-Current Assets | - | - |
| Adjustment for Increase / (Decrease) in Operating Liabilities | (1,162,148) | (2,889,871) |
| Trade Payables | 1,679,307 | 1,861,041 |
| Other Current Liabilities | (1,993,593) | (341,513) |
| Other Long Term Liabilities | - | - |
| Short Term Provisions | 1,095,684 | 542,445 |
| Long Term Provisions | - | - |
| Working Capital Changes | 781,398 | 2,061,973 |
| Cash generated from operations | 16,526,097 | 18,436,373 |
| Taxes Paid / Payable Net | 454,020 | 445,000 |
| NET CASH FROM OPERATING ACTIVITIES (A) : | 16,072,077 | 17,991,373 |
| B | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital Expenditure on Fixed Assets Including Capital Advances | (526,827) | (5,802,987) |
| Proceeds from sale of Fixed assets | 2,300,000 | - |
| Deposits / Investments | - | (27,985) |
| Dividend Income | - | - |
| Interest Income / Other Income | - | 99,136 |
| Bank Balances not considered as cash and cash Eq. | - | - |
| NET CASH FROM INVESTING ACTIVITIES (B) : | 1,773,173 | (5,731,836) |
| C | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | - | - |
| Repayment of long term Borrowings | (11,383,136) | (2,323,461) |
| Net Increase / Decrease in Working Capital Borrowings | (286,086) | (1,367,744) |
| Proceeds from Short Term Borrowings | - | - |
| Repayment of Short Term Borrowings | - | - |
| Finance Cost | (6,793,058) | (8,407,429) |
| Dividend and Tax thereon Paid | - | - |
| Cash Flow from extraordinary items | - | - |
| NET CASH USED IN FINANCING ACTIVITIES (C) : | (18,462,280) | (12,098,634) |
| Net changes in cash and cash equivalents(A+B+C) | (617,030) | 160,903 |
| Cash & Cash equivalents Opening Balance | 921,000 | 760,097 |
| Net changes in cash and cash equivalents | (617,030) | 160,903 |
| Cash & Cash equivalents Closing Balance | 303,970 | 921,000 |

FOR VINAYAK POLYCON INTERNATIONAL LIMITED

In terms of our report of even date attached
for A.NATANI & COMPANY
Chartered Accountants

Sd/-
BHANWAR LAL BAID
Chairman

Sd/-
BHARAT BAID
Managing Director

Sd/-
VIKRAM BAID
Director

Place : Jaipur
Date : 30.05.2014

Sd/-
CAASHOK KUMAR NATANI
PARTNER
M.NO. 74692
Firm Reg. No. 007347C



VINAYAK POLYCON INTERNATIONAL LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2014

Note 1 CORPORATE INFORMATION

Vinayak Polycron International Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company were demerged from Polycon International Limited, a list company also domiciled in India under the Demerger Scheme approved by the Honourable High Court of Rajasthan, Jaipur Bench vide Order Dated 21-07.2011. The company is engaged in the manufacturing and trading of PET Items like PET Bottles, PET Jars, PET Preforms, Caps and Lids etc. Its manufacturing facilities are located at Chennai

Note 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial Statements

The Accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof.

The company follows the mercantile system of accounting and recognizes the income and expenditure on the accrual system.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule-VI to the Companies Act, 1956.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

b) Use of Estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles ('GAAP') IN India requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the consolidated financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in future periods.

c) Tangible fixed assets

Fixed Assets have been stated at cost net of Cenvat credit less accumulated depreciation. Cost of acquisition or construction is inclusive of direct cost, incidental expenses

and borrowing cost related to such acquisition or construction.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule-XIV of the Companies Act, 1956 except the Plant and Machinery and Dies and Moulds purchased by parent company Polycon International Limited during the period from 01-04-2006 to 31-03-2009 and the same were transferred in pursuance to scheme of Demerger to Demerged company Vinayak Polycron International Limited. - Straight Line Method at all the units.

Additions/deletions to fixed assets during the year are being depreciated on prorata from the date on which such assets are being capitalized/deleted.

e) Impairment of tangible assets

Impairment loss is provided to the extent that the carrying amount(s) of assets exceed their recoverable amount(s). Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

f) Investments

Investment are stated at cost.

g) Inventories

Inventories are valued at lower of cost or net realizable value as per stock taken, verified, valued and certified by the management.

h) Revenue Recognition

I) sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer, upon supply of goods, and are recorded net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced). It does not include inter-divisional transfers.

II) Interest is recognized using the time proportion method.

III) Other items of income are accounted as and when right to receive arise.

i) Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

j) Retirement and other employee benefits

The Company contributes towards Provident fund and Family pension fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution required to be made under the statutes/rules.

Gratuity Liability, a defined benefit scheme, and provision for compensated absences is accrued and provided for on the basis of actuarial valuations made at the year end.

k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

l) Taxes on Income

Tax expense comprises of both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income-tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

m) Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

n) Foreign Currency Transactions

Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transactions. Foreign Currency Liabilities are stated at rates prevailing at the year end if any. Any other exchange differences are recognized as revenue item.

o) Cenvat Credit/Value Added Tax

Cenvat/Value Added tax benefit is accounted for by reducing the purchase cost of material/fixed assets.

Note 3 SHARE CAPITAL

| Particulars | (Amt. In Rs.) | | | |
|--|------------------------|-------------------|------------------------|-------------------|
| | As at 31st March, 2014 | | As at 31st March, 2013 | |
| | No of Shares | Amount in Rs. | No of Shares | Amount in Rs. |
| Authorised Share Capital | | | | |
| Equity shares of Rs. 10/- each with voting rights | 3,250,000 | 32,500,000 | 3,250,000 | 32,500,000 |
| Issued, Subscribed and Fully Paid-up | | | | |
| Equity shares of Rs. 10/- each with voting rights, fully paid up | 3,081,295 | 30,812,950 | 3,081,295 | 30,812,950 |
| TOTAL | 3,081,295 | 30,812,950 | 3,081,295 | 30,812,950 |

3.1) Reconciliation of equity shares and amount outstanding

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No of Shares | Amount in Rs. | No of Shares | Amount in Rs. |
| Equity Shares at the beginning of the year | 3,081,295 | 30,812,950 | 3,081,295 | 30,812,950 |
| Add: Pursuant to a Scheme of Demerger | | - | | - |
| Equity Shares at the end of the year | 3,081,295 | 30,812,950 | 3,081,295 | 30,812,950 |

3.2) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956

3.3) The details of shareholders holding more than 5% shares:

| Particulars | As at 31st March, 2014 | | As at 31st March, 2013 | |
|------------------------------------|------------------------|--------------|------------------------|--------|
| | No of Shares | % held | No of Shares | % held |
| Jai Sinter Polycon Private Limited | 354,950 | 11.52 | 354,950 | 11.52 |
| Sankalp Granites Private Limited | 323,169 | 10.49 | 323,169 | 10.49 |
| Subhraj Traders Private Limited | 244,218 | 7.93 | 244,218 | 7.93 |
| SIGO Polymers (P) Ltd | 182,714 | 5.93 | 182,714 | 5.93 |
| Maratha Petrochemicals (P) Ltd | 180,854 | 5.87 | 180,854 | 5.87 |
| Bharat Kumar Baid (H) | 167,134 | 5.42 | 167,134 | 5.42 |
| | 1,453,039 | 47.16 | 1,453,039 | 47.16 |

Note 4 RESERVE & SURPLUS
(Amt. In Rs.)

| PARTICULARS | AS AT | AS AT |
|--|------------------|------------------|
| | 31.03.2014 | 31.03.2013 |
| General Reserve | | |
| Balance as at the Beginning of the year | 3,040,324 | 3,040,324 |
| Surplus in the Statement of Profit and Loss | | |
| Balance as at the Beginning of the year | 1,715,357 | 1,223,536 |
| Add: Profit for the Year | 878,158 | 491,821 |
| Balance as at the end of the year | 2,593,515 | 1,715,357 |
| TOTAL | 5,633,839 | 4,755,681 |

Note 5 LONG TERM BORROWINGS
(Amt. In Rs.)

| PARTICULARS | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Current Maturities | Non Current Maturities | Current Maturities | Non Current Maturities |
| Secured | | | | |
| a). Term Loans | 6,782,121 | 9,437,800 | 8,598,000 | 17,555,560 |
| Unsecured | | | | |
| b). Loans from Bodies Corporate | | 11,068,852 | | 14,334,228 |
| | 6,782,121 | 20,506,652 | 8,598,000 | 31,889,788 |

- a) Term Loans Rs.162.20 Lac from Bank together with interest and other charges thereon, is secured by equitable mortgage on company's land and building situate at village Pandur, Chengalpattu Taluk, Distt. Kanchipuram (Tamil Nadu) and Hypothecation of plant and machinery and are further secured by way of extension of charge on entire current assets of the company both present and future and are guaranteed by Chairmen, Managing Director and Executive Directors of the company.
- b) Term Loans from Bank carry interest @13.5% P.A. on monthly rest. These are due for repayment as under :
- TL (Ist) Rs.17.04 Lac -To be repaid in balance 2 instalments of Rs.7.95 Lac and 3rd instalment of Rs.1.14 Lacs
- TL (IInd) Rs 6.70 Lac. -To be repaid in balance 2 instalments of Rs.2.57 Lac and 3rd instalment of Rs. 2.70 Lacs
- TL (IIIrd) Rs.134.54 Lac -To be repaid in balance 12 instalments of 10.42 Lacs and 13th instalment of Rs.9.50 Lacs
- Car Loan From HDFC Bank of Rs.3.92 lacs @10%p.a. on monthly interest with instalment of Rs.22,400 per month
- The loan is secured by hypothecation of vehicle.

Note 6 DEFERRED TAX LIABILITY (NET)

| PARTICULARS | (Amt. In Rs.) | |
|---|---------------------|---------------------|
| | AS AT 31.03.2014 | AS AT 31.03.2013 |
| Deferred tax liability arising on account of : Timing Difference in Depreciable Assets | 2,495,794 | 2,826,232 |
| TOTAL Rs. | 2,495,794 | 2,826,232 |

Note 7 SHORT TERM BORROWINGS

| PARTICULARS | (Amt. In Rs.) | |
|---|---------------------|---------------------|
| | AS AT 31.03.2014 | AS AT 31.03.2013 |
| Secured Cash Credit from Bank | 26,759,285 | 27,045,371 |
| TOTAL Rs. | 26,759,285 | 27,045,371 |

- a) Cash credits facilities from Bank Rs.275.00 Lac (Rupees Two Crore seventy five lac Only) together with interest and other charges thereon, is secured by mortgage of company's land and building together with other immovable assets thereon both present and future and by way of a hypothecation charge over all movable assets including book debts of the company. Cash credit is payable on demand and carries interest @ 12.75% P.A. on monthly rest.
- b) Refer Note No. 5 (a) also.

Note 8 TRADE PAYABLES

| PARTICULARS | (Amt. In Rs.) | |
|---|---------------------|---------------------|
| | AS AT 31.03.2014 | AS AT 31.03.2013 |
| Sundry Creditors for goods, services & Exp. | 5,147,100 | 3,467,793 |
| TOTAL Rs. | 5,147,100 | 3,467,793 |

Note 9 OTHER CURRENT LIABILITIES

| PARTICULARS | (Amt. In Rs.) | |
|--|---------------------|---------------------|
| | AS AT 31.03.2014 | AS AT 31.03.2013 |
| Current Maturities of Long Term Borrowings (Refer Note No. 5) | 6,782,121 | 8,598,000 |
| Statutory Dues | 1,039,111 | 944,306 |
| PF Payable | 43,732 | 35,201 |
| Payable on Account of Capital Goods | 2,020,250 | 2,301,300 |
| TOTAL Rs. | 9,885,214 | 11,878,807 |

Note10 SHORT TERM PROVISIONS

| PARTICULARS | (Amt. In Rs.) | |
|------------------------|---------------------|---------------------|
| | AS AT 31.03.2014 | AS AT 31.03.2013 |
| Provision for Tax | 676,483 | 445,000 |
| Provision for Expenses | 1,594,636 | 498,952 |
| TOTAL Rs. | 2,271,119 | 943,952 |



Note 11 FIXED ASSETS

| | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------------|----------------|--------------------------|---------------------------|----------------|---------------|--------------|---------------------------|--------------------|----------------|----------------|
| | As on 1.4.2013 | Addition during the year | Deduction during the year | As on 31.03.14 | Upto 31.03.13 | For the year | Deduction during the year | Total Depreciation | As at 31.03.14 | As at 31.03.13 |
| 1 | 1382687 | 0 | 0 | 1382687 | 0 | 0 | 0 | 0 | 1382687 | 1382687 |
| 2 (a) | 13265437 | 0 | 0 | 13265437 | 5240034 | 802540 | 0 | 6042574 | 7222863 | 8025403 |
| 3(a) | 29892714 | 0 | 0 | 29892714 | 13400256 | 1419904 | 0 | 14820160 | 15072554 | 16492458 |
| (b) | 30331308 | 0 | 4199767 | 26131541 | 11020544 | 2442404 | 2146122 | 11316826 | 14814715 | 19310764 |
| 4 | 2990548 | 0 | 0 | 2990548 | 1323861 | 231836 | 0 | 1555697 | 1434851 | 1666687 |
| 5 | 312811 | 33500 | 0 | 346311 | 183247 | 18799 | 0 | 202046 | 144265 | 129564 |
| 6 | 667655 | 0 | 0 | 667655 | 333638 | 60457 | 0 | 394095 | 273560 | 334017 |
| 7 | 2160850 | 0 | 0 | 2160850 | 958960 | 311169 | 0 | 1270129 | 890721 | 1201890 |
| 8 | 474386 | 93328 | 0 | 567714 | 396258 | 37842 | 0 | 434100 | 133614 | 78128 |
| 9 | 9545419 | 0 | 0 | 9545419 | 8171562 | 663568 | 0 | 8835130 | 710289 | 1373857 |
| | 14804976 | 400000 | 0 | 15204976 | 7384524 | 3061514 | 0 | 10446038 | 4758938 | 7420452 |
| TOTAL | 105828791 | 526828 | 4199767 | 102155852 | 48412884 | 9050033 | 2146122 | 55316795 | 46839057 | 57415907 |
| Figure for the previous year | 100025804 | 5802987 | 0 | 105828791 | 38335217 | 10077666 | 0 | 48412883 | 57415908 | |

Note 12 LONG-TERM LOANS AND ADVANCES
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Security Deposits (Unsecured, Considered Good) | 1,164,144 | 1,816,255 |
| TOTAL Rs. | 1,164,144 | 1,816,255 |

Note 13 INVENTORIES
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|--------------------|-----------------------------|-----------------------------|
| Raw Material | 5,792,513 | 9,075,102 |
| Stores | 102,000 | 152,500 |
| Fuel | 40,350 | 87,276 |
| Finished Goods | 2,704,253 | 2,403,352 |
| TOTAL Rs. | 8,639,116 | 11,718,230 |

Note 14 TRADE RECEIVABLES
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured, Considered Good) | 5,979,990 | 5,979,990 |
| Other trade receivables (Unsecured, Considered Good) | 23,774,302 | 20,840,727 |
| TOTAL Rs. | 29,754,292 | 26,820,717 |

Note 15 CASH AND CASH EQUIVALENTS
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Cash on Hand | 303,275 | 920,305 |
| Balances with Bank In Current Accounts | 695 | 695 |
| TOTAL Rs. | 303,970 | 921,000 |

Note 16 SHORT-TERM LOANS AND ADVANCES
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Loans and Advances to Related Parties (Unsecured, Considered Good) | 11,537,796 | 8,672,937 |
| Advances against Goods supply / Expenses | 1,147,320 | 1,741,415 |
| Advance Income Tax (Incl. TDS) | 412,000 | 396,164 |
| Prepaid Expenses | 233,678 | 199,755 |
| Balance with Excise / Sales Tax / Service Tax | 1,840,000 | 1,633,086 |
| Advances to Employees (Unsecured, Considered Good) | 578,544 | 1,235,436 |
| Advances against Capital Goods | 94,589 | 52,500 |
| Security Deposits | 782,000 | 719,000 |
| TOTAL Rs. | 16,625,927 | 14,650,293 |

Note 17 OTHER CURRENT ASSETS
(Amt. In Rs.)

| PARTICULARS | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|-----------------------------|-----------------------------|
| Preliminary Expenses (To the extent not written off) | 185,447 | 278,171 |
| TOTAL Rs. | 185,447 | 278,171 |

| | | | (Amt. In Rs.) | |
|---|----------------------------------|----------------------------------|---------------|--|
| PARTICULARS | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 | | |
| Note 18 <u>REVENUE FROM OPERATIONS</u> | | | | |
| Sale of Products | | | | |
| Finished Goods | 239,225,103 | 224,536,798 | | |
| Less: Excise Duty Etc. | 45,192,242 | 42,522,441 | | |
| | 194,032,861 | 182,014,357 | | |
| Details of Products Sold : | | | | |
| Pet Bottles, Jars and Caps | 194,032,861 | 182,014,357 | | |
| Others | - | - | | |
| Total | 194,032,861 | 182,014,357 | | |
| Note 19 <u>OTHER INCOME</u> | | | | |
| Interest Received | 0 | 99136 | | |
| Income Tax Provision written back | 6,816 | - | | |
| Profit on Sale of Fixed Assets | 246,355 | - | | |
| Total | 253,171 | 99,136 | | |
| Note 20 <u>COST OF MATERIALS CONSUMED</u> | | | | |
| Raw Material | | | | |
| Inventories at the beginning of the year | 9,075,102 | 10,919,964 | | |
| Add:- Purchases | 121,503,035 | 112,668,941 | | |
| | 130,578,137 | 123,588,905 | | |
| Less:- Inventories at the end of the year | 5,792,513 | 9,075,102 | | |
| Raw Material Consumed | 124,785,624 | 114,513,803 | | |
| Raw Material Consumed : | | | | |
| PET | 107,987,168 | 98,333,382 | | |
| PP | 16,798,456 | 16,180,421 | | |
| TOTAL Rs. | 124,785,624 | 114,513,803 | | |
| Note 21 <u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</u> | | | | |
| Finished Goods at the beginning of the year | 2,403,352 | 2,428,296 | | |
| Finished Goods at the end of the year | 2,704,253 | 2,403,352 | | |
| Net Decrease/(Increase) | (300,901) | 24,944 | | |
| Note 22 <u>EMPLOYEE BENEFIT EXPENSE</u> | | | | |
| Salaries, Wages and Incentives | 13,815,048 | 12,571,280 | | |
| Contribution to Provident and Other Funds | 284,125 | 259,620 | | |
| Staff Welfare Expenses | 183,590 | 387,426 | | |
| Total | 14,282,763 | 13,218,326 | | |
| | | | (Amt. In Rs.) | |
| PARTICULARS | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 | | |
| Note 23 <u>FINANCE COST</u> | | | | |
| Interest to Bank | 6,089,090 | 7,182,960 | | |
| Interest to Others | 477,380 | 1,122,442 | | |
| Other Borrowing Cost | 226,588 | 102,027 | | |
| TOTAL Rs. | 6,793,058 | 8,407,429 | | |

| PARTICULARS | (Amt. In Rs.) | |
|--|----------------------------------|----------------------------------|
| | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 |
| Note 24 OTHER EXPENCES | | |
| Consumption of Stores and Spare parts | 3,330,132 | 2,530,283 |
| Consumption of Fuel | 7,477,383 | 13,432,942 |
| Water, Electricity and Power Charges | 10,459,325 | 6,462,710 |
| Payment to Auditors as Auditors - Statutory Audit | 20,000 | 15,000 |
| Repairs and Maintenance Plant and Machinery | 3,294,069 | 1,069,705 |
| Building | 796,087 | 100,617 |
| Others | 165,189 | 124,703 |
| Donation | - | - |
| <u>Tour & Travelling</u> | | |
| Domestic | 697,816 | 702,650 |
| Foreign | 0 | 0 |
| Postage, Telegraph & Telephone | 160,134 | 143,103 |
| Insurance | 280,532 | 122,038 |
| Legal Expenses & Professional Fees | 187,574 | 654,167 |
| Conveyance & Vehicle Maintenance | 119,974 | 51,978 |
| Preliminary Expenses written off | 92,724 | 92,724 |
| Rates & Taxes | 87,914 | 851 |
| Gratuity | 42,000 | - |
| Advertisement Expences | 64,713 | - |
| Consumption of Packing Material | 2,566,270 | 2,513,690 |
| Transport, Handling & Octroi | 6,164,334 | 4,877,466 |
| Rent | 1,253,000 | 900,000 |
| Freight and Cartage Expenses | 1,046,757 | 1,144,268 |
| Miscellaneous Expenses | 145,325 | 146,842 |
| TOTAL Rs. | 38,451,252 | 35,085,737 |

Note 25 EARNINGS PER SHARE (EPS)

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. (For the purpose of calculation of number of shares outstanding during the year, shares issued / to be issued pursuant to the scheme of demerger are also counted as complete shares fully paid up.

| | (Amt. In Rs.) | |
|---|----------------------------------|----------------------------------|
| | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 |
| Profit attributable to Equity shareholders | 878,158 | 491,821 |
| Weighted average Number of Equity shares outstanding during the year | 3,081,295 | 3,081,295 |
| Basic Earnings Per Share | 0.28 | 0.16 |
| Diluted Earnings per share | 0.28 | 0.16 |
| Nominal Value per share | 10/- | 10/- |

NOTE For the purpose of calculation of number of shares outstanding during the year, shares issued / to be issued pursuant to the scheme of demerger are also counted as complete shares fully paid up.

Note 26 SEGMENT INFORMATION
PRIMARY :

The company is engaged in the business of providing packaging solutions primarily in the field of PET bottles and jars and closures.

Note 27 CONTINGENT LIABILITIES
(Amt. In Rs.)

| | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|---------------------|---------------------|
| a) Excise matter disputed in appeals | - | - |
| b) Claims against the company not acknowledged as debts | - | - |
| c) Sales tax matters disputed in appeals | - | - |
| d) Income Tax matters disputed in appeals | - | - |
| TOTAL | - | - |

**Note 28 Notes forming part of Financial Statements (Contd)
for the year ended 31st March, 2014**
(Rupees in lacs)

| | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|---------------------|---------------------|
| i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | - | - |
| ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| iv) The amount of interest due and payable for the year | - | - |
| v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |
| TOTAL | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note 29 RELATED PARTY TRANSACTIONS
Names of related parties where control exists and their Relationship

| | |
|------------------------------|------------------------------------|
| Ridam Polymers Pvt. Ltd. | Relative of Director are Directors |
| HMI Corporation | Relative of Director are Partner |
| Jai Sinter Polycon Pvt. Ltd. | Director Holds office of Profit |
| Crystal Packaging | Relative of Director are Partner |
| Vinod Baid | Relative of Director |

Key Management Personal

- Shri Bharat Baid
- Shri Vikram Baid

Enterprise over which key management personnel and their relatives are able to exercise significant influence

- Ridam Polymers Pvt. Ltd.
- HMI Corporation
- Jai Sinter Polycon Pvt. Ltd.
- Crystal Packaging

Notes forming part of Financial Statements for the year ended 31st March, 2014
 Details of transactions with related parties during the year/previous year

(Rupees in lacs)

| | AS AT 31.03.2014 | AS AT 31.03.2013 |
|---|--|--|
| Nature of transactions | | |
| 1 | | |
| Sale of goods | | |
| Crystal Packaging | 7.04 | 2.66 |
| Jai Sinter Polycon Pvt. Ltd. | 2.12 | |
| 2 | | |
| Sale of Old Machine | | |
| Jai Sinter Polycon Pvt. Ltd. | 22.24 | - |
| 3 | | |
| Receiving of Services | | |
| Jai Sinter Polycon Pvt. Ltd. | 24.92 | 34.20 |
| Crystal Packaging | 3.46 | |
| 4 | | |
| Interest Paid | | |
| Jai Sinter Polycon Pvt. Ltd. | 4.77 | 11.18 |
| 5 | | |
| Rent - Vinod Baid | 7.80 | 7.80 |
| 6 | | |
| Purchases of Stores and Items | | |
| Jai Sinter Polycon Pvt. Ltd. | 10.52 | 19.65 |
| 7 | | |
| Short Term Loans Given / Taken during the year | | |
| HMI Corporation | 0 / 0 | 7.50 / 0.00 |
| Ridam Polymers Pvt. Ltd | 0 / 0 | 1.50 / 0.00 |
| Crystal Packaging | 30.54 / 1.89 | 52.00 / 50.26 |
| 8 | | |
| Amount Outstanding against Short term Loan Taken | | |
| HMI Corporation | 12.33 | 12.33 |
| Ridam Polymers Pvt. Ltd | 55.45 | 55.45 |
| Crystal Packaging | 47.60 | 18.96 |
| Managerial Remuneration (Including Bonus, PF & Perquisites) | | |
| Mr. Bharat Baid | 12.75 | 11.85 |
| Mr. Vikram Baid | 9.46 | 8.80 |
| Note 30 | | |
| EARNINGS IN FOREIGN CURRENCY | | |
| FOB Value of Exports | NIL | NIL |
| Other Income | NIL | NIL |
| Note 31 | | |
| EXPENDITURE IN FOREIGN CURRENCY | | (Rupees In Rs.) |
| | FOR THE YEAR ENDED 31-03-2014 | FOR THE YEAR ENDED 31-03-2013 |
| a) | | |
| Travelling expenses | - | - |
| b) | | |
| Others | - | - |
| | TOTAL | TOTAL |
| | - | - |

Note 32 Inventories, loans and advances, trade receivables/payables and other current/non current assets are reviewed annually and in the opinion of the management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet. The response to letter sent by the company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of balances will not be material in relation to the financial statements of the company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

Note 33 The Company is in the process of conducting the Cost Audit of Cost Accounting Records for the current financial year as required under Notification No. G.S.R. 429(E) dated 3rd June, 2011 issued by the Ministry of Corporate Affairs.

Note 34 Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For A. Natani & Co.
Chartered Accountants
Firm Regn. No. 007347C
Sd/-
CA Ashok Kumar Natani
Partner
Membership No. 074692

For and on behalf of the Board of Directors

Sd/-
Bhanwar Lal Baid
Chairman
DIN:00212003

Sd/-
Bharat Baid
Managing Director
DIN:00212506

Sd/-
Vikram Baid
Director
DIN:00217347

Place : Jaipur
Date : 30.05.2014

VINAYAK POLYCON INTERNATIONAL LIMITED

(CIN: L25209RJ2009PLC030620)

312, Navjeevan Complex, 29, Station Road Jaipur-302 006

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

| | |
|------------|--|
| DP ID* | |
| Client ID* | |

| | |
|------------------|--|
| Master Folio No. | |
|------------------|--|

NAME AND ADDRESS OF THE SHAREHOLDER _____

No. of Share(s) held : _____

I hereby record my presence at the **05th ANNUAL GENERAL MEETING** of the Company held on Saturday, the 06th day of September, 2014 at 3.00 P.M. at : "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001.

Signature of the shareholder or proxy

* Applicable for investors holding shares in electronic form.

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PROXY FORM

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

VINAYAK POLYCON INTERNATIONAL LIMITED

(CIN : L25209RJ2009PLC030620)

Registered Office: 312, Navjeevan Complex, 29, Station Road, Jaipur-302006

Email: investor@vinayakpolycon.com, Website: www.vinayakpolycon.com Phone: 0141-2377007, Fax: 0141-2378830

Name of the member (s) :

Registered address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being the member(s) ofshares of the above named Company, hereby appoint

Name : Email Id:-.....

Address:

Signature: or failing him / her ;

Name : Email Id:-.....

Address:

Signature: or failing him / her ;

Name : Email Id:-.....

Address:

Signature: or failing him / her ;

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 5th Annual General Meeting of the Company, to be held on Saturday, the 6th September, 2014 at 3.00 p.m. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| No. | Resolutions | For | Against |
|-----|--|-----|---------|
| | Ordinary Business | | |
| 1. | To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | To appoint the Director in place of Mr. Bhanwar Lal Baid (holding DIN : 00212003) who retires by rotation at this Annual General Meeting and being eligible, offers herself for reappointment. | | |
| 3. | To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of tenth Annual General Meeting (AGM) and to fix their remuneration. | | |
| | Special business | | |
| 4. | Appointment of Mrs. Anima Bordia as an Independent Woman Director. | | |
| 5. | Appointment of Mr. Niraj Nahata as an Independent Director. | | |
| 6. | Appointment of Mr. Pawan Nahata as an Independent Director. | | |
| 7. | Appointment of Mr. Vikram Baid as Executive Director of the Company and approval of remuneration. | | |
| 8. | Appointment of Mr. Bharat Kumar Baid as Managing Director of the Company and approval of remuneration. | | |

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

Signature of Shareholder

Signature of Proxy holder (s).....

Affix
 Re.1
 Revenue
 Stamp

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

BOOK-POST

 If undelivered please return to :
VINAYAK POLYCON International Ltd.
312, Navjeevan Complex, 29 Station Road, Jaipur-302 006