



VINAYAK POLYCRON

ANNUAL REPORT 2012-2013

4th ANNUAL REPORT

2012-2013



VINAYAK POLYCRON INTERNATIONAL LIMITED



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**BOARD OF DIRECTORS**

Mr. Bhanwar Lal Baid
Chairman

CA Bharat Baid
Managing Director

CA Vikram Baid
Executive Director

CA Laxmipat Nahata
Independent and Non Executive Director

Mr. M.S. Bhandari
Independent and Non Executive Director

Mr. Tej Kumar Dugar
Independent and Non Executive Director

Statutory Auditors

A. Natani & Co.
Chartered Accountants
Room No. 7, Samod Tower
II Floor, Dadu Marg
S.C.Road, Jaipur

BOARD COMMITTEES**Audit Committee**

Mr. Laxmipat Nahata
Mr. M.S. Bhandari
Mr. Vikram Baid

Remuneration Committee

Mr. M.S. Bhandari
Mr. Laxmipat Nahata
Mr. Vikram Baid

**Shareholders'/Investor's
Grievance Committee**

Mr. M.S. Bhandari
Mr. Laxmipat Nahata
Mr. Vikram Baid

Corporate Advisors

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

Works :

Unit-1

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

**FINANCIAL HIGHLIGHTS**

For the Year Ended 31st March :

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

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Fourth Annual General Meeting (AGM) of Vinayak Polycron International Limited will be held on Saturday, the 07th day of September, 2013 at 03.00 P.M. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss Account for the year ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Laxmipat Bahadursingh Nahata, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To reappoint M/s A. Natani & Co., Chartered Accountants, as auditors to hold office from the conclusion of this Annual general meeting until the Conclusion of next Annual General Meeting and to authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s V. M. & Associates, Company Secretaries, Jaipur be and is hereby appointed as Company Secretary for the issuance of Compliance Certificate under Section 383A of the Companies Act, 1956 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company in consultation with the said firm.

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."

BY ORDER OF THE BOARD

**PLACE: JAIPUR
DATE: 30.05.2013**

**Sd/-
BHARAT KUMAR BAID
MANAGING DIRECTOR**

NOTES :

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

2. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. Corporate members are requested to send a duly certified true copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. In terms of Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Laxmipat Bahadursingh Nahata, Director of the Company, retire by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends this re-appointment.
5. A brief resume of Mr. Laxmipat Bahadursingh Nahata and other information required under clause 49(VI) (A) of the listing agreement is included in the Report of Corporate Governance.
6. The registers of the members and share transfer books of the company shall remain closed from Friday, 06th September, 2013 to Saturday, 07th September, 2013 (Both days inclusive) and for payment of dividend (if any) for the Financial Year 2012-2013.
7. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
9. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
10. Explanatory Statement for Item No 4 pursuant to Section 173(2) of the Companies Act, 1956 is enclosed herewith.
11. M/s MAS Services Limited, having its Registered Office at T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi is appointed as the Company's Registrar & Transfer Agent.
12. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.

13. Members are requested to bring the following with them at the Annual General Meeting:
- Copy of the Annual Report.
 - Duly filled Attendance Slip for attending the meeting and the same should be deposited at the entrance of the Meeting Hall.
 - Depository account number (Client ID), if any, for easier identification and recording of attendance at the meeting.
14. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Annual General Meeting.
15. The Register of Contracts maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
16. 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 / Registrars and Transfer Agents.
17. Members are informed that Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Your company has also decided to be a part of this initiative and request the shareholders to send/update their email id's in the company's record. This initiative will enable better flow of the information required to be disseminated to the members and save the environment by saving the paper. We seek your whole-hearted support for this initiative.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 4

As per the requirements of Section 383A of the Companies Act, 1956 and (Companies Compliance) Certificate Rules, 2001 the Company has to obtain a certificate from Company Secretary in practice certifying that legal and procedural requirement under the Companies Act have been duly complied with by the Company. For which appointment of M/s V. M. & Associates, Company Secretaries, Jaipur for conducting and

issuing Compliance Certificate u/s 383A of Companies Act, 1956 is sought.

None of the directors are interested in the said resolution.

The Directors recommend the above ordinary resolution stated at item No. 4 for your approval.

BY ORDER OF THE BOARD

**PLACE: JAIPUR
DATE: 30.05.2013**

**Sd/-
BHARAT KUMAR BAID
MANAGING DIRECTOR**

ANNEXURE TO THE NOTICE of AGM

Details of Director seeking re - appointment at the Annual General Meeting as per Clause 49 of the Listing Agreement 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 07th September, 2013:

Details of Shri Laxmipat Bahadursingh Nahata, Director of the Company are as follows:

Name of the Director	Laxmipat Bahadursingh Nahata
Date of Birth	06.11.1953
Date of Appointment	14.09.2011
Designation	Independent & Non Executive Director
Qualification(s)	B.Com., FCA
Name of the Companies in which directorship held as on 31.03.2013	None.
Member of the Committee of Board of other companies	None
No. of Shares held in the Company	NIL

BY ORDER OF THE BOARD

**PLACE: JAIPUR
DATE: 30.05.2013**

**Sd/-
BHARAT KUMAR BAID
MANAGING DIRECTOR**



DIRECTORS' REPORT

To,
The members,
Vinayak Polycron International Limited

Your Directors are pleased to present their Fourth Annual Report on the business and operations of the Company alongwith the Audited Statement of Accounts for the financial year ended on 31st March, 2013.

FINANCIAL RESULTS :

The financial performance of the company for the year ended March 31, 2013 is summarized below :

Amount Rs. In lacs

Particulars	2012-2013	2011-2012
Income	1821.14	1357.76
Expenses	1813.28	1347.51
Profit for the year before Tax	7.86	10.25
Tax expenses	2.94	3.19
Net Profit after Tax	4.92	7.06

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. 1821.14 Lacs as against Rs. 1357.76 Lacs in the previous year. The profit/ (Loss) after tax is Rs. 4.92 Lacs as against Rs. 7.06 Lacs in the previous year. The income from operations decreased by Rs. 2.14 Lacs during the year under review.

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, 2013.

RESERVES

The Board has not transferred any amount to General Reserve. Whole profit of the Company during the year i.e. Rs. 4.92 Lacs transferred to the profit & loss a/c for the F.Y. 2012-13, in compliance with the relevant provisions of the Companies Act, 1956.

CAPITAL STRUCTURE

During the F.Y. 2012-13 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

Shri Laxmipat Bahadursingh Nahata, Director, retires by rotation in terms of provisions of Companies Act, 1956 and Articles of Association of the Company at the ensuing Annual General

Meeting and being eligible, offers himself for re-appointment. The retiring Director does not hold any shares in the company. 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

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 Polycron 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 Polycon 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.

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 Polycon 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, 2013, the Company employed a total of 60 employees of which 12 were Officers and 48 belong to non-

executive cadre.

Vinayak Polycon 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.

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.

LISTING OF SECURITIES

The Equity shares of the company are listed with the Bombay Stock Exchange Limited w.e.f. 28.08.2012.

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 next Annual General Meeting of the Company. Your Directors recommend their reappointment.

The Auditor's report is self-explanatory and does not call for any explanation.

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.

The appointment of M/s V. M. & Associates, Company Secretaries in Whole-time Practice, is also sought, for the year 2013-14, given in the notice.

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 accounts for the financial year ended 31st March 2013, 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 accounts for the financial year ended on 31st March, 2013 on a 'going concern basis'.

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.

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
DATE: 30.05.2013

FOR AND ON BEHALF OF THE BOARD

Sd/-
BHARAT KUMAR BAID
MANGAING DIRECTOR

Sd/-
VIKRAM BAID
EXECUTIVE DIRECTOR

**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, 2013. 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:

1. 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.
2. 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 time as 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.
3. the Board of Directors duly met 5 (Five) times on 26.05.2012, 19.07.2012, 08.10.2012, 15.10.2012 and 14.02.2013 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.
4. the Company closed its Register of Members from Friday, 31st August, 2012 to Saturday, 1st September, 2012 (both days inclusive) and necessary compliance of Section 154 of the act has been made.
5. the Annual General Meeting for the financial year ended on 31st March, 2012 was held on Saturday, 1st September, 2012 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.
6. the company has advanced loans to firms and Companies referred in the Section 295 of the Act, after generally complying with the provisions of the Act.
7. the Company has made necessary entries in the register maintained under Section 301 of the Act.
8. the Company has:-
 - i. delivered all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act
 - ii. duly complied with the requirements of Section 217 of

the Act.

9. the Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Director to fill casual vacancy during the financial year.
10. 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.
11. 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.
12. 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.
13. other paras of the Companies (Compliance Certificate) Rules, 2001 are either NIL or NOT APPLICABLE for the current period.

PLACE: JAIPUR
 DATE: 30.05.2013

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, 2013:

1. E-Form No. 66 along with Compliance Certificate filed u/s 383A for the financial year ended 31.03.2012, filed in time on 13.09.2012.
2. E-Form No. 20B alongwith Annual Return under Schedule V, for the Annual General Meeting held on 01.09.2012, filed in time on 28.09.2012.
3. E-Form No. 23AC & 23ACA (XBRL) along with Balance Sheet and Profit & Loss Account for the year ended on 31.03.2012, filed u/s 220 in time on 15.12.2012.

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 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	LAXMIPAT BAHADURSINGH NAHATA	00255218
Independent & Non-executive Director	TEJKUMAR MALCHAND DUGAR	03048895
Independent & Non-executive Director	MAHENDRA SINGH BHANDARI	03622017

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 twelve.

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, 2013:

S. No.	Name of Director	No. 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 5 (Five) meetings on 26.05.2012, 19.07.2012, 08.10.2012, 15.10.2012 and 14.02.2013 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 2012-13 and also other directorships (Excluding directorship in private companies, Section 25 Companies and foreign companies) and Board Committees as at 31st March, 2013 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	5	Present	Nil	None
BHARAT KUMAR BAID	5	Present	Nil	None
VIKRAM BAID	5	Present	Nil	None
LAXMIPAT BAHADURSINGH NAHATA	4	Absent	Nil	None
TEJKUMAR MALCHAND DUGAR	4	Absent	Nil	None
MAHENDRA SINGH BHANDARI	5	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, Remuneration Committee and Share Transfer and Shareholder's Grievance 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 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, 2013, 4 (Four) Audit Committee Meetings were held on 26.05.2012, 19.07.2012, 08.10.2012 and 14.02.2013.

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:
- Management Discussion and Analysis of financial condition and results of operation;
 - Statements of significant related party transactions;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - 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 REMUNERATION COMMITTEE :

COMPOSITION :

The Remuneration Committee comprises of three Directors, Two of whom are Non-Executive Independent Directors. The constitution of the Remuneration Committee of Directors is 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. 19.07.2012, was held for the financial year ended on 31st March, 2013.

The attendance at the 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 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, 2013.

Name of Director	Salary	Benefits	Commission	Sitting fees
Mr. Bhanwar Lal Baid	NIL	NIL	NIL	NIL
Mr. Bharat Baid	9.20 Lacs	NIL	NIL	NIL
Mr. Vikram Baid	7.60 Lacs	NIL	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 Remuneration Committee, inter-alia, include: -

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

3.3 SHARE TRANSFER AND SHAREHOLDER'S GRIEVANCE COMMITTEE :

COMPOSITION :

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 transfer of shares during the year.

MEETINGS AND ATTENDANCE

Two Meetings for Share Transfer and Shareholder's Grievance Committee was held for the financial year ended 31st March, 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, 2013	Nil
Number of Complaints pending as on 31st March, 2013	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.

MEETINGS AND ATTENDANCE

No meeting of Share Transfer and Shareholder's Grievance Committee was held for the financial year ended 31st March, 2013.

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 2011-12.

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 3 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.

**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

At the forthcoming AGM, no resolution is proposed to be passed 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.

9 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.

10. MEANS OF COMMUNICATION

- a. Quarterly, Half yearly and Annual financial Results are 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.

11. GENERAL SHAREHOLDER'S INFORMATION**11.1 Date, Time and Venue of Annual General Meeting**

Date : Saturday, the 07th day of September, 2013

Time : 3.00 P.M.

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

11.2 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.

11.3 Financial Year :

1st April 2012 to 31st March, 2013

11.4 Tentative Financial Calendar (For 2013-14) :

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.

11.5 Book Closure Date :

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 06th day of September, 2013 to Saturday, 07th day of September, 2013, (both days inclusive).

11.6 Listing on Stock Exchanges :

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

11.7 Payment of Listing fees

The Company has paid the listing fee upto 31st March 2014 to the Bombay Stock Exchange (BSE).

11.8 Stock Code :

Bombay Stock Exchange : 534639

11.9 Demat ISIN for NSDL and CDSL :

INE581M01016

11.10 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

11.11 Address for correspondence
Vinayak Polycron International Limited

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

Contact No.:0141-2377007

Email: investor@vinayakpolycon.com

12. CEO & CFO CERTIFICATE

Certificate from CEO & CFO for the financial year ended on March 31, 2013 has been annexed to the Annual Report.

13. Stock Market Data

The monthly high and low quotations at BSE during 2012-13 is given below:

Month	High	Low	No. Of Shares
August, 2012	13.60	12.05	5474
September, 2012	13.02	7.69	15547
October, 2012	9.80	5.38	15904
November, 2012	9.15	6.22	4035
December, 2012	7.96	6.19	1062
January, 2013	6.49	5.89	89
February, 2013	5.60	5.33	11
March, 2013	5.59	5.59	32

14. Shareholding Pattern as on 31st March, 2013 :

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	1025142	33.27%
Indian Public	486588	15.79%
NRIs/ OCB	1240	0.04%
HUF	0	0.00%
Any Other (Clearing Members Demat Transit)	8448	0.27%
GRAND TOTAL	3081295	100.00%

15. Distribution Schedule As on 31st March, 2013:

The shareholding pattern of the equity shares of as on 31st March 2013 is given below:

Shareholding of Nominal value holders	No. of Share-holders	% of share-	No. of Shares	Amount (In Rs.)	% of Total Shares
0001 - 5000	518	67.890	98532	985320	3.198
5001 - 10000	158	20.708	120740	1207400	3.919
10001 - 20000	43	5.636	62442	624420	2.026
20001 - 50000	12	1.572	33664	336640	1.092
50001 & above	32	4.194	2765917	27659170	89.765

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)

Sd/-
VIKRAM BAID
CHIEF FINANCIAL OFFICER

PLACE: JAIPUR
DATE: 30.05.2013

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 2013, 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: 30-05-2013

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

ASHOK KUMAR NATANI
Partner
Membership No. 074692



INDEPENDENT AUDITOR'S REPORT

To
The Members
Vinayak Polycron International Limited

Report on Financial Statements

We have audited the accompanying financial statements of M/s Vinayak Polycron International Limited ('the Company') which comprises the Balance Sheet as on 31st March, 2013, and 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 referred to in sub-section (3C) of section 211 of the Companies Act 1956 ('the Act'). 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 judgement, 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. 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 explanation given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Branch as at March 31, 2013;
- (b) in the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows 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'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure a statement of the matters specified in paragraphs 4 & 5 of the said 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 referred to in Section 211(3C) of the Companies Act, 1956; and
 - (e) On the basis of written representations received from the Directors as on 31st March, 2013, and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

Place: Jaipur
Date: 30-05-2013

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

ASHOK KUMAR NATANI
Partner
Membership No. 074692



ANNEXURE TO THE INDEPENDENT AUDITORS' 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, 2013. 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, 2013 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: 30-05-2013

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

ASHOK KUMAR NATANI
Partner
Membership No. 074692



VINAYAK POLYCON INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31st MARCH 2013

PARTICULARS	Note	(Amt. In Rs.)	
		AS AT 31.03.2013	AS AT 31.03.2012
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	30,812,950	30,812,950
Reserve and Surplus	4	4,755,681	4,263,860
		35,568,631	35,076,810
Non Current Liabilities			
Long Term Borrowings	5	31,889,788	34,213,249
Deferred Tax Liability (Net)	6	2,826,232	2,977,465
Other Long Term Liabilities		0	0
Long Term Provisions		0	0
		34,716,020	37,190,714
Current Liabilities			
Short Term Borrowings	7	27,045,371	28,413,115
Trade Payables	8	3,467,793	1,606,752
Other Current Liabilities	9	11,878,807	12,220,320
Short Term Provisions	10	547,788	5,343
		42,939,759	42,245,530
	TOTAL	113,224,410	114,513,054
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	57,415,908	61,540,586
Capital Work in Progress	11	0	150,000
Non Current Investments		0	0
Long Term Loans and Advances	12	1,816,255	1,788,271
		59,232,163	63,478,857
Current Assets			
Current Investments		0	0
Inventories	13	11,718,230	13,565,798
Trade Receivables	14	26,820,717	22,800,818
Cash and Cash Equivalents	15	921,000	760,097
Short Term Loans and Advances	16	14,254,129	13,536,589
Other Current Assets	17	278,171	370,895
		53,992,247	51,034,197
	TOTAL	113,224,410	114,513,054
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

Place : Jaipur
Date : 30.05.2013

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director



VINAYAK POLYCON INTERNATIONAL LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED ON 31.03.2013

(Amt. In Rs.)

PARTICULARS	Note	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
INCOME			
Revenue from Operations	18	224,536,798	162,515,548
Less: Excise Duty		42,522,441	26,750,016
Net Revenue from Operations		182,014,357	135,765,532
Other Income	19	99,136	10,084
TOTAL		182,113,493	135,775,616
EXPENSES			
Cost of Material Consumed	20	114,513,803	81,615,878
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	21	24,944	380,467
Employee Benefits Expense	22	13,218,326	10,844,217
Finance Cost	23	8,407,429	9,790,863
Depreciation and Amortization Expense	11	10,077,666	9,533,206
Other Expenses	24	35,085,737	22,586,029
TOTAL		181,327,905	134,750,660
PROFIT/(LOSS) BEFORE TAX		785,588	1,024,956
Less: Tax Expenses			
Current Tax		(445,000)	(302,000)
Deferred Tax		151,233	(16,480)
PROFIT FOR THE YEAR		491,821	706,475
Earnings per Equity Share of face value of Rs. 10/- each			
Basic 25		0.16	0.23
Diluted 25		0.16	0.23
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

Place : Jaipur
Date : 30.05.2013

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director



VINAYAK POLYCON INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

		Current Year (Rs.)
A	CASH FLOW FROM OPERATING ACTIVITIES	
	Net Profit before tax and extraordinary items	785,588
	Adjustment for :	
	Depreciation	10,077,666
	Preliminary/Deferred Expenses Written off	92,724
	Profit/Loss on sale of Investment/Assets	-
	Provision written back	-
	Foreign Exchange	
	Interest & Other income on Investments	(99,136)
	Interest	8,407,429
	Operating profit before working capital changes	18,478,683
	Adjustment for (Increase) / Decrease in Operating Assets	19,264,271
	Inventories	1,847,568
	Trade Receivables	(4,019,899)
	Short Term Loans and Advances	(717,540)
	Long Term Loans and Advances	-
	Other Current Assets	-
	Other Non-Current Assets	(2,889,871)
	Adjustment for Increase / (Decrease) in Operating Liabilities	
	Trade Payables	1,861,041
	Other Current Liabilities	(341,513)
	Other Long Term Liabilities	-
	Short Term Provisions	542,445
	Long Term Provisions	-
	Working Capital Changes	2,061,973
	Cash generated from operations	(827,898)
	Taxes Paid / Payable Net	445,000
	NET CASH FROM OPERATING ACTIVITIES (A) :	17,991,373
B	CASH FLOW FROM INVESTING ACTIVITIES	
	Capital Expenditure on Fixed Assets Including Capital Advances	(5,802,987)
	Proceeds from sale of Fixed assets	-
	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) :	(5,731,836)
C	CASH FLOW FROM FINANCING ACTIVITIES	
	Proceeds from Long Term Borrowings	
	Repayment of long term Borrowings	(2,323,461)
	Net Increase / Decrease in Working Capital Borrowings	(1,367,744)
	Proceeds from Short Term Borrowings	
	Repayment of Short Term Borrowings	
	Finance Cost	(8,407,429)
	Dividend and Tax thereon Paid	
	Cash Flow from extraordinary items	
	NET CASH USED IN FINANCING ACTIVITIES (C) :	(12,098,634)
	Net changes in cash and cash equivalents(A+B+C)	160,903
	Cash & Cash equivalents Opening Balance	760,097
	Net changes in cash and cash equivalents	160,903
	Cash & Cash equivalents Closing Balance	921,000

In terms of our report attached.

For and on behalf of the Board of Directors

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

Sd/-
Bhanwar Lal Baid
Chairman

Place : Jaipur
Date : 30.05.2013

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director



VINAYAK POLYCON INTERNATIONAL LIMITED

Notes forming part of the Financial Statements as at and for the year ended March 31, 2013

Note 1 **CORPORATE INFORMATION**

Vinayak Polycon 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.

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 Polycon 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

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.

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	As at 31st March, 2013		As at 31st March, 2012	
	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, 2013		As at 31st March, 2012	
	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	50,000	500,000
Add: Pursuant to a Scheme of Demerger		-	3,031,295	30,312,950
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, 2013		As at 31st March, 2012	
	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

3.4) The Company has allotted 3,031,295 Equity Shares of Rs. 10/- each fully paid on 16th September, 2011 pursuant to the scheme of demerger approved by Hon'ble Rajasthan High Court, Jaipur Bench by their order dated 21-07-2011. These shares were to existing share holders of Polycon International Limited (PIL) pursuant to above Demerger Scheme.

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

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
General Reserve		
Balance as at the Beginning of the year	3,040,324	3,040,854
Less: Utilised during the year for issue of shares Pursuant to scheme of demerger	0	530
	3,040,324	3,040,324
Surplus in the Statement of Profit and Loss		
Balance as at the Beginning of the year	1,223,536	517,061
Add: Profit for the Year	491,821	706,475
Balance as at the end of the year	1,715,357	1,223,536
TOTAL	4,755,681	4,263,860

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

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	Current Maturities	Non Current Maturities	Current Maturities	Non Current Maturities
Secured				
a). Term Loans	8,598,000	17,555,560	8,376,000	22,810,023
Unsecured				
b). Loans from Bodies Corporate		14,334,228		11,403,226
	8,598,000	31,889,788	8,376,000	34,213,249

- a) Term Loans Rs.255.39 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
- b) Term Loans from Bank carry interest @12.75% P.A. on monthly rest. These are due for repayment as under:
 TL (Ist) Rs.55.16 Lac -To be repaid in balance 6 instalments of Rs.7.95 Lac and 7th instalment of Rs.7.46 Lacs
 TL (IInd) Rs 18.99 Lac. -To be repaid in balance 7 instalments of Rs.2.57 Lac and 8th instalment of Rs.1.0 Lacs
 TL (IIIrd) Rs.181.24 Lac -To be repaid in balance 17 instalments of 10.42 Lcas and 18th instalment of Rs.4.10 Lacs
 Car Loan From HDFC Bank of Rs. 6.14 lacs @10%p.a. on monthly interest with instalment of Rs.22,400 per month

Note 6 **DEFERRED TAX LIABILITY (NET)**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Deferred tax liability arising on account of : Timing Difference in Depreciable Assets	2,826,232	2,977,465
	<u>2,826,232</u>	<u>2,977,465</u>

Note 7 **SHORT TERM BORROWINGS**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Secured Cash Credit from Bank	27,045,371	28,413,115
TOTAL Rs.	<u>27,045,371</u>	<u>28,413,115</u>

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.

Note 8 **TRADE PAYABLES**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Sundry Creditors for goods, services & Exp.	3,467,793	1,606,752
TOTAL Rs.	<u>3,467,793</u>	<u>1,606,752</u>

Note 9 **OTHER CURRENT LIABILITIES**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Current Maturities of Long Term Borrowings	8,598,000	8,376,000
Statutory Dues	944,306	654,556
PF Payable	35,201	36,381
Payable on Account of Capital Goods	2,301,300	3,153,383
TOTAL Rs.	<u>11,878,807</u>	<u>12,220,320</u>

Note 10 **SHORT TERM PROVISIONS**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2013	31.03.2012
Provision for Tax	48,836	0
Provision for Expenses	498,952	5,343
TOTAL Rs.	<u>547,788</u>	<u>5,343</u>

Note 11 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2012	Addition during the year	Deduction during the year	As on 31.03.13	Upto 31.03.12	For the year	Deduction during the year	Total Depreciation	As at 31.03.13	As at 31.03.12
1	1382687	0	0	1382687	0	0	0	0	1382687	1382687
2 (a)	13265437	0	0	13265437	4348322	891712	0	5240034	8025403	8917115
3(a)	29892714	0	0	29892714	11980352	1419904	0	13400256	16492458	17912362
(b)	29706530	624778	0	30331308	7964054	3056490	0	11020544	19310764	21742476
4	2990548	0	0	2990548	1054566	269295	0	1323861	1666687	1935982
5	296836	15975	0	312811	162958	20289	0	183247	129564	133878
6	566487	101168	0	667655	270999	62639	0	333638	334017	295488
7	1260850	900000	0	2160850	827295	131665	0	958960	1201890	433555
8	431931	42455	0	474386	351248	45010	0	396258	78128	80683
9	9545419	0	0	9545419	6672827	1498735	0	8171562	1373857	2872592
	10686365	4118611	0	14804976	4702596	2681928	0	7384524	7420452	5983769
TOTAL	100025804	5802987	0	105828791	38335217	10077666	0	48412883	57415908	61690586
Figure for the previous year	95027891	5240434	242521	100025804	28902348	9533206	100336	38335218	61690586	

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

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Security Deposits (Unsecured, Considered Good)	1,816,255	1,788,271
TOTAL Rs.	1,816,255	1,788,271

Note 13 INVENTORIES
(Amt. In Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Raw Material	9,075,102	10,919,964
Stores	152,500	137,500
Fuel	87,276	80,038
Finished Goods	2,403,352	2,428,296
TOTAL Rs.	11,718,230	13,565,798

Note 14 TRADE RECEIVABLES
(Amt. In Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured, Considered Good)	5,979,990	6,467,477
Other trade receivables (Unsecured, Considered Good)	20,840,727	16,333,341
TOTAL Rs.	26,820,717	22,800,818

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

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Cash on Hand	920,305	759,402
Balances with Bank In Current Accounts	695	695
TOTAL Rs.	921,000	760,097

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

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
Loans and Advances to Related Parties (Unsecured, Considered Good)	8,672,937	7,599,452
Advances against Goods supply / Expenses	1,741,415	3,047,156
Advance Income Tax (Incl. TDS)	0	7,000
Prepaid Expenses	199,755	12,494
Balance with Excise / Sales Tax / Service Tax	1,633,086	1,003,681
Advances to Employees (Unsecured, Considered Good)	1,235,436	1,115,306
Advances against Capital Goods	52,500	52,500
Security Deposits	719,000	699,000
TOTAL Rs.	14,254,129	13,536,589

Note 17 OTHER CURRENT ASSETS

PARTICULARS	(Amt. In Rs.)	
	AS AT 31.03.2013	AS AT 31.03.2012
Preliminary Expenses (To the extent not written off)	278,171	370,895
TOTAL Rs.	278,171	370,895

PARTICULARS	(Amt. In Rs.)	
	FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012

Note 18 REVENUE FROM OPERATIONS

Sale of Products		
Finished Goods	224,536,798	162,346,774
Less: Excise Duty	42,522,441	26,750,016
	<u>182,014,357</u>	<u>135,596,758</u>
Other Operating revenues		
Sale of Scrap	-	168,774
Revenue from Operations (NET)	<u>182,014,357</u>	<u>135,765,532</u>
Details of Products Sold :		
Pet Bottles, Jars and Caps	182,014,357	135,613,018
Others	-	152,514
Traded Goods	0	0
Total	182,014,357	135,765,532

Note 19 OTHER INCOME

Interest Received	99,136	0
Income Tax Provision written back	-	7,269
Profit on Sale of Fixed Assets	-	2,815
Total	99,136	10,084

Note 20 COST OF MATERIALS CONSUMED

Raw Material		
Inventories at the beginning of the year	10,919,964	10,648,844
Add:- Purchases	112,668,941	81,886,998
	<u>123,588,905</u>	<u>92,535,842</u>
Less:- Inventories at the end of the year	9,075,102	10,919,964
Raw Material Consumed	<u>114,513,803</u>	<u>81,615,878</u>
Raw Material Consumed :		
PET	98,333,382	72,201,348
PP	16,180,421	9,414,530
TOTAL Rs.	114,513,803	81,615,878

**Note 21 CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK IN TRADE**

Finished Goods at the beginning of the year	2,428,296	2,808,763
Finished Goods at the end of the year	2,403,352	2,428,296
Net Decrease/(Increase)	24,944	380,467

Note 22 EMPLOYEE BENEFIT EXPENSE

Salaries, Wages and Incentives	12,571,280	10,497,956
Contribution to Provident and Other Funds	259,620	166,299
Staff Welfare Expenses	387,426	179,962
Total	13,218,326	10,844,217

(Amt. In Rs.)

PARTICULARS		FOR THE YEAR ENDED 31-03-2013	FOR THE YEAR ENDED 31-03-2012
Note 23	FINANCE COST		
	Interest to Bank	7,182,960	7,530,009
	Interest to Others	1,122,442	1,755,240
	Other Borrowing Cost	102,027	505,614
	TOTAL Rs.	8,407,429	9,790,863
Note 24	OTHER EXPENCES		
	Consumption of Stores and Spare parts	2,530,283	1,701,059
	Consumption of Fuel	13,432,942	3,802,259
	Water, Electricity and Power Charges	6,462,710	6,383,443
	Payment to Auditors as Auditors - Statutory Audit	15,000	15,000
	Repairs and Maintenance Plant and Machinery	1,069,705	1,140,172
	Building	100,617	604,147
	Others	124,703	90,610
	Donation	-	11,300
	<u>Tour & Travelling</u>		
	Domestic	702,650	805,978
	Foreign	0	0
	Postage, Telegraph & Telephone	143,103	193,170
	Insurance	122,038	124,725
	Legal Expenses & Professional Fees	654,167	750,346
	Conveyance & Vehicle Maintenance	51,978	102,176
	Preliminary Expenses written off	92,724	92,724
	Rates & Taxes	851	3,248
	Consumption of Packing Material	2,513,690	1,777,678
	Transport, Handling & Octroi	4,877,466	3,191,723
	Rent	900,000	869,500
	Freight, Cartage, Loading and Unloading Expenses	1,144,268	728,848
	Miscellaneous Expenses	146,842	197,923
	TOTAL Rs.	35,085,737	22,586,029

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 31-03-2013	FOR THE YEAR ENDED 31-03-2012
Profit attributable to Equity shareholders	491,821	706,475
Weighted average Number of Equity shares outstanding during the year	3,081,295	3,081,295
Basic Earnings Per Share	0.16	0.23
Diluted Earnings per share	0.16	0.23
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 31.03.2013	AS AT 31.03.2012
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, 2013**

(Rupees in lacs)

	AS AT 31.03.2013	AS AT 31.03.2012
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	2.18
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	-	2.18

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 (Contd) for the year ended 31st March, 2013



Details of transactions with related parties during the year/previous year

(Rupees in lacs)

	AS AT 31.03.2013	AS AT 31.03.2012
1 Nature of transactions		
1 Sale of goods		
Crystal Packaging	2.66	1.69
2 Sale of Old Machine		
Crystal Packaging	-	1.74
3 Receiving of Services		
Jai Sinter Polycon Pvt. Ltd.	34.20	24.89
4 Interest Paid		
Jai Sinter Polycon Pvt. Ltd.	11.18	16.65
5 Rent		
Vinod Baid	7.80	7.80
6 Purchases of Stores and Items		
Jai Sinter Polycon Pvt. Ltd.	9.65	1.53
Managerial Remuneration		
Mr. Bharat Baid	9.20	9.20
Mr. Vikram Baid	7.60	7.60
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 31-03-2013	FOR THE YEAR ENDED 31-03-2012
a) Travelling expenses	-	-
b) Others	-	-
TOTAL	-	-

Note 32 The Company is in the process of obtaining the Compliance Certificate regarding maintenance 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 33 The Revised Schedule-VI has become effective from 01st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

Sd/-
Bharat Baid
Managing Director

Sd/-
Vikram Baid
Director

Place : Jaipur
 Date : 30.05.2013