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**VINAYAK POLYCON International Ltd.**

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**8<sup>th</sup>**

**ANNUAL REPORT**  
**2016-2017**





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**Board of Directors**

**Bhanwar Lal Baid** (DIN: 00212003)  
Chairman

**CA Bharat Baid** (DIN: 00212506)  
Managing Director

**CA Vikram Baid** (DIN: 00217347)  
Executive Director

**Mrs. Anima Bordia** (DIN: 06941148)  
Independent and Non-Executive Director

**CA Niraj Nahata** (DIN: 06830067)  
Independent and Non-Executive Director

**CA Pawan Nahata** (DIN: 06945991)  
Independent and Non-Executive Director

**Key Managerial Personnel**

**CA Bharat Baid**  
Chief Executive Officer and Managing Director

**CA Vikram Baid**  
Chief Financial Officer

**Rashmi Agarwal**  
Company Secretary and Compliance Officer

**Board Committees****Audit Committee**

Mrs. Anima Bordia  
Mr. Niraj Nahata  
Mr. Pawan Nahata

**Nomination and Remuneration Committee**

Mrs. Anima Bordia  
Mr. Niraj Nahata  
Mr. Pawan Nahata

**Stakeholders' Relationship Committee**

Mrs. Anima Bordia  
Mr. Niraj Nahata  
Mr. Pawan Nahata

**Statutory Auditors**

A. Natani & Co.  
Chartered Accountants  
6-7, Samod Tower  
II Floor, Dadu Marg, S.C. Road, Jaipur

**Secretarial Auditor**

V.M. & Associates  
Company Secretaries  
403, Royal World  
Sansar Chand Road  
Jaipur

**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 Bankers**

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

**Unit-1**

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

**Unit-2**

H-13-14, Heerawala Industrial Area, Kanota, Jaipur-303012, Rajasthan

**FINANCIAL HIGHLIGHTS****For the Year Ended 31st March:**

(Amount Rs. In Lakhs)

Particulars	2010	2011	2012	2013	2014	2015	2016	2017
<b>PROFIT &amp; APPROPRIATIONS</b>								
Sale & Other Income	0.00	1388.03	1357.76	1821.13	1942.86	1712.83	1529.11	1774.00
Profit Before Depreciation & Tax	0.00	116.52	105.58	108.64	102.74	92.90	85.04	126.27
Depreciation	0.00	109.80	95.33	100.78	90.50	76.52	66.59	105.71
Profit before Tax	0.00	6.72	10.25	7.86	12.24	16.38	18.45	20.56
Taxation	0.00	1.55	3.18	2.94	3.46	5.02	5.69	10.33
Profit After Tax	0.00	5.17	7.07	4.92	8.78	11.36	12.76	10.23
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Earning per Share	0.00	0.17	0.23	0.16	0.28	0.37	0.41	0.33
<b>ASSETS EMPLOYED</b>								
Fixed Assets Gross	0.00	950.27	998.75	1058.29	1021.56	1022.78	1059.81	1293.23
Depreciation	0.00	289.02	383.35	484.13	553.17	630.57	697.17	802.88
Net	0.00	661.25	615.40	574.16	468.39	392.21	362.64	490.35
Capital work in progress	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Current Assets	4.47	478.93	102.07	125.91	124.26	149.14	142.80	126.17
Miscellaneous Expenditure	2.11	4.64	3.70	2.78	1.85	0.93	0.00	0.00
	<b>6.58</b>	<b>1144.82</b>	<b>722.67</b>	<b>702.85</b>	<b>594.50</b>	<b>542.28</b>	<b>505.44</b>	<b>616.52</b>
<b>FINANCED BY</b>								
Equity Shares	5.00	308.12	308.13	308.13	308.13	308.13	308.13	308.13
Reserve & Surplus	0.00	35.58	42.64	47.56	56.34	66.81	79.57	89.80
Loan Funds	1.58	771.51	342.13	318.90	205.07	146.67	100.68	195.12
Deferred Tax Liability	0.00	29.61	29.77	28.26	24.96	20.67	17.06	23.47
	<b>6.58</b>	<b>1144.82</b>	<b>722.67</b>	<b>702.85</b>	<b>594.50</b>	<b>542.28</b>	<b>505.44</b>	<b>616.52</b>

**(VINAYAK POLYCON INTERNATIONAL LIMITED)**

(CIN: L25209RJ2009PLC030620)

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

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

Phone: 0141-2377007, Fax: 0141-2378830

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE EIGHTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF VINAYAK POLYCON INTERNATIONAL LIMITED will be held at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 on Friday, 29th September, 2017 at 4.00 P.M. to transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Vikram Baid (DIN 00217347), who is liable to retire by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s A. Natani & Co., Chartered Accountants (Firm Registration No.: 007347C) as statutory auditors of the Company.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of Company in 5th Annual General Meeting held on 6th September, 2014, the appointment of M/s A. Natani & Co., Chartered Accountants, Jaipur (Firm Reg. No.: 007347C) as Statutory Auditors of the Company to hold office till the conclusion of 10th Annual General Meeting of the Company to be held in the calendar year 2019 be and is hereby ratified (for the F.Y. 2017-18) at such remuneration plus Service Tax as applicable, out of pocket expenses, traveling expenses, etc., as approved by the Board of Directors of the Company in accordance with the recommendation of the audit Committee."

**By Order of the Board  
For Vinayak Polycon International Limited**

Date: 04.09.2017

Place: Jaipur

Sd/-

**VIKRAM BAID  
WHOLE TIME DIRECTOR  
DIN 00217347**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS**

**ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY (A Copy of the Proxy Form is attached at the last Page of Annual Report). THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. Corporate members intending to send their authorized representative to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM on their behalf.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of AGM.
5. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
6. Members are requested to:
  - a) Notify the change in address if any, with Pin Code numbers immediately to the Company (in case of shares held in physical mode).
  - b) Bring their copy of the Annual Report and Attendance Slip with them at the AGM.
  - c) Quote their Regd. Folio Number/DP and Client ID



Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.

7. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Transfer Agent (RTA):-

**MAS Services Limited, (Registrars & Share Transfer Agents),  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase-II,  
New Delhi-110 020  
Ph:-26387281/82/83  
Fax:-26387384  
Email:-info@masserv.com  
Website: www.masserv.com**

8. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any case of change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.
9. In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013 Mr. Vikram Baid (DIN: 00217347) Director of the company, retires by rotation at the ensuing meeting & being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the information about the director proposed to be reappointed is given in the Annexure 1 to the Notice.
10. The Securities 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 demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
11. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of names are requested to send the Share Certificate to MAS Services Ltd., RTA, for consolidation into single folio.
12. The Notice of AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies are being sent by the permitted mode. Members may also note that

even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.

13. The Members, who have not registered their email address so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the AGM.
15. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of meeting to enable us to keep the information ready at the meeting.
16. The Company has engaged the services of National Securities Depository Limited (NSDL) as Agency & MAS Services Limited (RTA) to provide e-voting facility.
17. Annual Report and AGM Notice is available at the website of the Company at [www.vinayakpolycon.com](http://www.vinayakpolycon.com) under 'Annual Reports' tab and on the website of NSDL at [www.ndsl.co.in](http://www.ndsl.co.in).
18. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended & Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is offering remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('remote e-voting') provided by NSDL. Please note that remote e-voting is optional and not mandatory.
19. The facility for voting through polling paper shall also be made available at the AGM & members who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. Remote e-voting facility would remain open from Monday, 25th September, 2017 (9.00 A.M.) to Thursday, 28th September, 2017 (5.00 P.M.). During this period, shareholders of the company holding shares either in the physical form or in dematerialized form, as on the cut-off date of 22nd September, 2017, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.



21. The voting right of the members shall be in the proportion to the equity shares held by them in the paid up equity share capital of the Company as on 22nd September, 2017 ('cut-off date').
22. CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting & poll process to be carried out at the AGM in a fair and transparent manner.
23. A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if the person is already registered with the NSDL for remote e-voting then the existing user ID & password can be used for casting vote. The instructions for members relating to remote e-voting which inter alia would contain details about user ID & password are provided separately along with Annual Report.

**THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 8TH ANNUAL GENERAL MEETING ARE PRODUCED HERE UNDER FOR REFERENCE:**

- I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
  - a. Open e-mail and open PDF file viz "VPIL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-Login.
  - d. Put user ID and password/PIN as initial password noted in step (a) above. Click Login.
  - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "Vinayak Polycron International Limited".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote casted successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs@vmandaonline.com](mailto:cs@vmandaonline.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. **In case of Members receiving Physical copy of Notice of 8th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
  - a. Initial password is provided in the box overleaf.
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

**NOTE:**

- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- D. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- E. The Scrutinizer shall after the conclusion of voting at the AGM make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
24. The final results including the Remote e-voting & poll results of the AGM shall be declared within 48 hours from the conclusion of the AGM. The final results along with the scrutinizer's report shall be placed on the Company's website [www.vinayakpolycon.com](http://www.vinayakpolycon.com) immediately after the result is declared by the Chairman & also on the website of NSDL at <https://www.evoting.nsdl.com/> and shall be communicated to the concerned stock exchange.

**Annexure 1:****Re-appointment of Mr. Vikram Baid (Item No. 2)**

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about Mr. Vikram Baid, Director who is proposed to be re-appointed at the ensuing Annual General Meeting:

Name of the Director	Vikram Baid
Date of Birth	23.03.1976
Date of First Appointment on Board	31.12.2009
Designation	Whole Time Director
Qualification(s)	MBF, B. Com (Hons.), ACA
Experience (including Expertise in specific Functional areas) / Brief Resume	He is Promoter & Director of the Company and is leading the innovation drive of the company. He has a diverse experience in strategic business planning, marketing, commercial and financial matters of over 15 years.
Other Directorships as on March 31, 2017	Jai Sinter Polycron Private limited
Chairmanship / Membership of Committees in companies in which position of Director is held	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	He is son of Mr. Bharat Kumar Baid, Managing Director and grandson of Mr. Bhanwar Lal Baid, Chairman.
No. of Equity Shares held in the Company as on March 31, 2017	76,076
No. of Board Meetings attended during the year	5
Terms and conditions of reappointment	Executive Director liable to retire by rotation

**By Order of the Board  
For Vinayak Polycron International Limited**

**Date: 04.09.2017**

**Place: Jaipur**

**Sd/-  
VIKRAM BAID  
WHOLE TIME DIRECTOR  
DIN 00217347**

## BOARD'S REPORT

To,  
The Members,  
Vinayak Polycon International Limited

Your Directors have pleasure to present their Eighth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2017 and Auditor's Report thereon.

### 1. Financial Summary / Highlights:

The financial performance of the company for the year ended March 31, 2017 is summarized below:

(Amount in Lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sales		
Domestic	1772.75	1527.62
Export	0.00	0.00
Other Revenue	1.25	1.48
<b>Total Revenue</b>	<b>1774.00</b>	<b>1529.11</b>
<b>Total Expenses</b>	<b>1753.44</b>	<b>1510.66</b>
Profit Before Interest & depreciation	171.84	112.15
Less: Financial Cost	45.57	27.11
Profit Before depreciation	126.27	85.04
Less: Depreciation	105.71	66.59
Profit/(loss) Before exceptional item	20.56	18.45
Profit Before Tax	20.56	18.45
Less: Tax Liability (including deferred tax)	10.33	5.69
<b>Profit/(Loss) After Tax</b>	<b>10.23</b>	<b>12.76</b>

### 2. Performance Review

Financial information is presented in accordance with the Accounting Standards (AS). Our reporting currency is Indian Rupees (INR). The Company continued its focus on growing its business faster than market while protecting product quality & profitability.

#### **Total revenue including other income**

The company is engaged in the manufacture of Plastic containers and closures. The net receipts from Operations during the year under review were Rs. 1772.75 Lakhs as against Rs. 1529.11 Lakhs in the previous year.

#### **Net Profit**

The Company reported profits of Rs. 10.23

Lakhs for the year as compared to Rs. 12.76 Lakhs in the previous year. The higher PBDIT was partly offset by higher tax and higher depreciation during the year.

### 3. 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, 2017.

### 4. Reserves

The Board has not proposed transfer of any amount to General Reserve. Whole profit of the Company during the year i.e. Rs. 10.23 Lakhs is transferred to the Profit & Loss A/C for the F.Y. 2016-17, in compliance with the relevant



provisions of the Companies Act, 2013.

**5. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**6. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**7. Fixed deposits**

During the Financial Year 2016-17, Your Company has not invited, accepted or renewed any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with The Companies (Acceptance of Deposits) Rules, 2014.

**8. Auditors and Auditors' Report**

**A. Statutory Auditors**

At the Annual General Meeting held on September 06, 2014, M/s A. Natani & Co., Chartered Accountants, Jaipur (FRN: 007347C) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the tenth Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s A. Natani & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained a written certificate from the above

mentioned Auditors to the effect that they conform with the limits specified in the said Section and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

There is no reservation, qualification or adverse remark contained in the Statutory Auditors' Report attached to Financial Statements for the financial year ended on 31st March, 2017. Information referred in Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have also confirmed that they hold a valid certificate issued by the peer review Board of ICAI.

**B. Secretarial Auditor**

As per the provisions of Section 204 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice. The Board had appointed M/s V.M. & Associates, Company Secretaries, Jaipur (FRN: P1984RJ039200) as "Secretarial Auditor" to conduct Secretarial Audit for the financial year 2016-17.

The Secretarial Audit Report for the financial year 2016-17 in Form MR-3 is attached herewith as Annexure 1. There is no reservation, qualification or adverse remark contained in the Secretarial Auditor Report. Information referred in Secretarial Auditor Report are self-explanatory and do not call for any further comments.

The Board of Directors have re-appointed M/s V. M. & Associates, Company Secretaries, Jaipur (FRN: P1984RJ039200) as "Secretarial Auditor" of Company for the financial year 2017-18.

**C. Internal Auditor**

Pursuant to Section 138 of the Companies Act 2013, every Listed Company is required to appoint an Internal Auditor or a firm of Internal



Auditors.

In line with the aforesaid section, the Board of Directors has appointed Mr. Vikram Baid (Membership No.: 077821) as Internal Auditor of the Company for the financial year 2016-17. Mr. Vikram Baid is a Chartered Accountant as required under Section 138 of the Companies Act, 2013.

He has submitted Internal Audit Report for the financial year 2016-17 to the Board. No major audit observations were observed during the Internal Audit for the financial year 2016-17.

The Board of Directors have re-appointed Mr. Vikram Baid as Internal Auditor of the Company for the financial year 2017-18.

## 9. Capital Structure

During the F.Y. 2016-17 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/- (Three crore eight lakhs twelve thousand nine hundred and fifty).

## 10. Extract of the annual return

Extract of the Annual Return in Form MGT-9 containing details as on the financial year ended 31st March, 2017, as required under Section 92 (3) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, is included in the Report as Annexure 2.

## 11. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information related to Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is included in the Report as Annexure 3.

## 12. Directors and Key Managerial Personnel

### A. Changes in Directors and Key Managerial Personnel

There was no change in the composition of

Board during the year under review. In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Vikram Baid, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

A brief resume of Mr. Vikram Baid, proposed to be appointed is included in the Notice of Annual General Meeting. The Board recommends his re-appointment.

### B. Declaration by an Independent Director(s) and re-appointment, if any

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms & conditions for the appointment of Independent Directors are available on the website of the Company, <http://vinayakpolycon.com/node/29>.

### C. Formal Annual Evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board has carried out an annual performance evaluation of its own performance, that of its Committees and individual Directors. The performance of the Board as whole was satisfactory. The Board was unanimous in their opinion that the results reflect the overall engagement of the Board and its Committees with its Company and its Management and they were satisfied with the same. None of the independent directors are due for re-appointment.

### 13. Number of meetings of the Board of Directors

The Board of Directors met five times during the financial year 2016-17 on 19th May, 2016, 21st July, 2016, 13th August, 2016, 14th November,



2016 and 13th February, 2017. The intervening gap between the meetings, frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial

Standards").

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in the table:

Name & Designation of Director	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Director ships of Other Companies	No. of Committee Memberships	No. of Committee Chairmanships
Mr. Bhanwar Lal Baid, Chairman	Non-Executive Director & Promoter	5	5	No	-	-	-
Mr. Bharat Kumar Baid, Managing Director	Executive Director & Promoter	5	5	Yes	-	-	-
Mr. Vikram Baid, Whole-time Director	Executive Director & Promoter	5	5	Yes	1	-	-
Mr. Pawan Nahata, Director	Non- Executive Independent Director	5	5	No	-	3	-
Mr. Niraj Nahata, Director	Non- Executive Independent Director	5	5	No	-	3	-
Mrs. Anima Bordia, Director	Non- Executive Independent Director	5	5	Yes	-	3	3

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.

**14. Committees of the Board**

Currently, the Board has three committees: the Audit committee, Nomination and Remuneration committee and Stakeholders Relationship committee. All committees consist entirely of independent directors.

The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
Audit Committee	Mrs. Anima Bordia, Chairperson	As per Section 177 of the Companies Act, 2013, following are the duties of Audit committee:  To oversee the financial reporting process and disclosure of financial information.
	Mr. Niraj Nahata	To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board.
	Mr. Pawan Nahata	To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations.  To recommend the appointment of the internal and statutory auditors and fixing their remuneration.  To hold discussions with the statutory and internal auditors.  Audit committee performed all of its duties during the year.  All recommendations made by the audit committee during the year were accepted by the Board.  In accordance with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated several policies. The policies, including the Whistleblower Policy, are available on our website, <a href="http://www.vinayakpolycon.com/policies">http://www.vinayakpolycon.com/policies</a>
Nomination and Remuneration Committee	Mrs. Anima Bordia, Chairperson	The committee oversees and administers executive compensation, operating under a written policy adopted by our Board of Directors. As per Section 178 of Companies Act, 2013, Following are the duties of Nomination and Remuneration Committee:
	Mr. Niraj Nahata	Carry out assignments from time to time, as prescribed under Schedule –V to the Companies Act, 2013.  To recommend to the Board, compensation terms of the Executive Directors.
	Mr. Pawan Nahata	To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors."  The committee has designed and continuously reviews the Nomination and Remuneration Policy for our Directors and senior executives to align both short-term and long-term remuneration with business objectives and to link remuneration with the achievement of measurable performance goals.  The Nomination and Remuneration Committee has framed the Nomination and Remuneration Policy. The said policy forms part of this Report as <b>Annexure 4</b> .
Stakeholders Relationship Committee	Mrs. Anima Bordia, Chairperson  Mr. Niraj Nahata  Mr. Pawan Nahata	The committee reviews and ensures redressal of investor grievances.  The committee noted that all the grievances of the investors have been resolved.

**15. Vigil Mechanism / Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy. Under the said Mechanism, the employees are free to report violations of applicable laws and regulations and the Code of Conduct. It also provides for adequate safeguards against the victimization of persons who use such mechanism. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee. The policy is also available on the Company's website at the link: <http://www.vinayakpolycon.com/sites/default/files/policies/Policy-of-Whistle-Blower-Vigil-Mechanism.pdf>

**16. Loans, guarantees or investments**

During the year under review, the company has not provided any loan to any person or other body corporate; neither it has given any guarantee or provided security in connection with a loan nor it has acquired by way of subscription, purchase or otherwise the securities of any other body corporate.

**17. Related Party Transactions**

The Company has framed the policy on related party transaction and Audit Committee has reviewed the related party transaction in every meeting. There are no material significant related party transactions made by the Company with Promoters, Directors, KMP or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 in the form AOC 2 is annexed herewith as Annexure 5.

A list of all related party transactions is placed before the Audit Committee as well as the Board of Directors. The policy on related party transactions is available on Company's website i.e. <http://www.vinayakpolycon.com/sites/default/files/policies/Policy%20on%20Related%20Party%20Transactions.pdf>

**18. Particular of Employees**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with rules made thereunder, as amended from time to time, has been given in the Annexure 6.

**19. Nomination & Remuneration Policy**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2017, the Board consists of 6 members, one of whom is executive or whole-time director, one is managing director, one is non-executive director and chairman and three are independent directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company, <http://vinayakpolycon.com/sites/default/files/Nomination%20and%20Remuneration%20Policy.pdf>. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

**20. Independent Directors' Meeting**

As per the requirement of Schedule IV to the Companies Act, 2013, the Independent Directors of the Company met during the year, inter alia to:

1. Review the performance of non - Independent Directors and the Board of Directors as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non - Executive Directors;
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

They expressed satisfaction over the performance of Non-Independent Directors, Chairperson and Board.

**21. Internal financial control**

The Company has well defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business. The Company maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. The Company is following

all the applicable Accounting Standards as issued by The Institute of Chartered Accountants of India for properly maintaining the books of accounts and reporting financial statements.

Mr. Vikram Baid, Internal Auditor of the Company independently evaluate adequacy of internal controls and audit the majority of the transactions undertaken by the Company. Post audit reviews are carried out to ensure that audit recommendations have been implemented.

The Audit Committee of the Board of Directors which comprises of all of Independent Directors, inter alia, reviews the adequacy and effectiveness of internal Control and monitors implementation of Internal Audit observations.

## **22. Policy on Prevention of Sexual Harassment at Workplace**

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

The Company has ensured organisation wide dissemination of the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act by conducting sessions throughout the Company.

During the financial year 2016-17, no complaint was received by the Company. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

## **23. Risk Management Policy**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

## **24. Management Discussion and Analysis**

### **A. 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.

### **B. Opportunity**

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

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

### **C. 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

### **D. Segment Wise Performance**

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

### **E. 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.

**F. 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.

**G. 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.

**H. Discussion of Financial Performance**

Your Company's net turnover for the year ended March 31, 2017 is Rs. 1774 lakhs. The Profit before interest, depreciation and tax is Rs. 171.84 lakhs. However, profit after tax is Rs. 10.23 lakhs.

Your Company is engaged in the manufacturing of PET Bottles, Jars and Containers and the income also derived from the sale of these products. Your Company is hopeful of sustaining its performance through calibrated steps. Your directors are confident of the long-term business prospects of the Company.

**I. 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.

As on 31st March, 2017, the Company employed a total of 49 employees of which 13 were Officers and 36 belong to non-executive cadre.

**J. Trade Relations**

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.

The Company maintained healthy, cordial and harmonious Industrial relations at all levels. The Directors wish to place on record their appreciation for the valuable contribution by the employees of the Company.

**25. Listing Fees**

At present, the equity shares of the Company are listed on BSE Limited (BSE). The annual listing fee for FY 2017-18 to BSE has been paid.

**26. Depository System**

The ISIN no. allotted to the Company is INE581M01016. The Company has also established the required connectivity with both the NSDL & CDSL through its registrar and share transfer agent MAS Services Pvt. Ltd., Delhi for both physical and demat segments.

The equity shares of the Company can be held in electronic form with any depository participant (DP) with whom the Members/Investors have their depository account.

**27. Prevention of Insider Trading**

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information on 30th May, 2015 to preserve the confidentiality of price sensitive information,



prevent misuse thereof and regulate the trading by Insiders. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. [www.vinayakpolycron.com](http://www.vinayakpolycron.com).

## 28. Corporate Governance Report

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Vinayak Polycron International Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not mandatory for the time being for Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year.

Since our Company falls in the ambit of aforesaid exemption; hence compliance with the certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not mandatory for our Company. Consequently our Company is not required to provide separate section on Corporate Governance Report.

However, our Company has complied with all the disclosures and requirements which are applicable under all the rules, regulations for the time being in force.

## 29. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 and

loss of the Company for that period.

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'Going Concern' basis.
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively, and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Acknowledgment

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and area as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

We thank the Government of India, Ministry of Corporate Affairs, Custom & Excise Department, Income Tax Department, BSE, NSDL, CDSL, Bankers, State Governments and other Government Agencies for their continuing support and look forward for the same support in the future.

**PLACE: JAIPUR**  
**DATE: 04.09.2017**

**FOR AND ON BEHALF OF THE BOARD**  
**FOR VINAYAK POLYCON INTERNATIONAL LIMITED**

**Sd/-**  
**BHARAT KUMAR BAID**  
**MANAGING DIRECTOR**  
**DIN : 00212506**

**Sd/-**  
**VIKRAM BAID**  
**WHOLE TIME DIRECTOR &**  
**CHIEF FINANCIAL OFFICER**  
**DIN : 00217347**



**Annexure 1**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Vinayak Polycron International Limited  
312, Navjeevan Complex, 29, Station Road  
Jaipur - 302 006 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vinayak Polycron International Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not



applicable to the Company during the Audit Period)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period) and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not undertaken any events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Jaipur**  
**Date: September 04, 2017**

**For V.M. & Associates**  
**Company Secretaries**  
**(ICSI Unique Code P1984RJ039200)**

**Sd/-**  
**CS Vikas Mehta**  
**Partner**  
**ACS 28964**  
**C P No. : 12789**

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure A**

To,  
The Members  
Vinayak Polycon International Limited  
312, Navjeevan Complex, 29, Station Road  
Jaipur - 302 006 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Jaipur**  
**Date: September 04, 2017**

**For V.M. & Associates**  
**Company Secretaries**  
**(ICSI Unique Code P1984RJ039200)**

**Sd/-**  
**CS Vikas Mehta**  
**Partner**  
**ACS 28964**  
**C P No. : 12789**

**Annexure 2****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2017

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

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L25209RJ2009PLC030620
ii	Registration Date	31 <sup>st</sup> December, 2009
iii	Name of the Company	Vinayak Polycon International Limited
iv	Category / Sub Category of the Company	Public Company, Company Limited by Shares
v	Address of the Registered office and Contact Details	312, Navjeevan Complex, 29, Station Road, Jaipur – 302006 Tele No.: 91-141-2377007 • Fax No : 91-141-2378830 Email: <a href="mailto:investor@vinayakpolycon.com">investor@vinayakpolycon.com</a> Website : <a href="http://www.vinayakpolycon.com">www.vinayakpolycon.com</a>
Vi	Whether listed Company	Yes
Vii	Name, Address and Contact Details of Registrar and Share Transfer Agent	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: <a href="mailto:info@masserv.com">info@masserv.com</a>

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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of PET Bottles, Jars and Containers	39239090	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
N/A					

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

(i) Category-wise Share Holding



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	12,04,927	-	12,04,927	39.10	12,04,927	-	12,04,927	39.10	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,54,950	-	3,54,950	11.52	3,54,950	-	3,54,950	11.52	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other.....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>15,59,877</b>	<b>-</b>	<b>15,59,877</b>	<b>50.62</b>	<b>15,59,877</b>	<b>-</b>	<b>15,59,877</b>	<b>50.62</b>	<b>0</b>
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>15,59,877</b>	<b>-</b>	<b>15,59,877</b>	<b>50.62</b>	<b>15,59,877</b>	<b>-</b>	<b>15,59,877</b>	<b>50.62</b>	<b>0</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non- Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	9,92,530	74,152	10,66,682	34.62	9,96,472	74,152	10,70,624	34.75	0.13
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individual</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,81,544	1,48,366	3,29,910	10.71	1,76,738	1,48,056	3,24,794	10.54	(0.17)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,22,236	-	1,22,236	3.97	1,22,241	-	1,22,241	3.97	0
<b>c) Others (specify)</b>									
i) NBFC registered with RBI	1,350	-	1,350	0.04	1,350	-	1,350	0.04	-
ii) Clearing Members	-	-	-	-	1169	-	1169	0.04	0.04
iii) Non Resident Indians	-	1,240	1,240	0.04	-	1,240	1,240	0.04	-
iv) Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>12,97,660</b>	<b>2,23,758</b>	<b>15,21,418</b>	<b>49.38</b>	<b>12,97,970</b>	<b>2,23,448</b>	<b>15,21,418</b>	<b>49.38</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>12,97,660</b>	<b>2,23,758</b>	<b>15,21,418</b>	<b>49.38</b>	<b>12,97,970</b>	<b>2,23,448</b>	<b>15,21,418</b>	<b>49.38</b>	<b>-</b>
<b>C. Shares held by Custodian For Depository Receipts</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>28,57,537</b>	<b>2,23,758</b>	<b>30,81,295</b>	<b>100.00</b>	<b>28,57,847</b>	<b>2,23,448</b>	<b>30,81,295</b>	<b>100.00</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding During the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1.	Bhanwar Lal Baid HUF	43,369	1.41	-	43,369	1.41	-	-
2.	Varun Baid	80,600	2.62	-	80,600	2.62	-	-
3.	Bhanwar Lal Baid	82,338	2.67	-	82,338	2.67	-	-
4.	Vikram Baid	76,076	2.47	-	76,076	2.47	-	-
5.	Vijay Baid	73,638	2.39	-	73,638	2.39	-	-
6.	Samta Baid	8,007	0.26	-	8,007	0.26	-	-
7.	Sadhna Baid	94,681	3.07	-	94,681	3.07	-	-
8.	Pushpalata Baid	1,04,844	3.40	-	1,04,844	3.40	-	-
9.	Vinod Baid	53,756	1.74	-	53,756	1.74	-	-
10.	Rajiv Baid	89,420	2.90	-	89,420	2.90	-	-
11.	Bharat Kumar Baid	95,048	3.08	-	95,048	3.08	-	-
12.	Lal Chand Baid	1,36,382	4.43	-	1,36,382	4.43	-	-
13.	Mahendra Nahata	6,200	0.20	-	6,200	0.20	-	-
14.	Rajiv Baid HUF	76,260	2.47	-	76,260	2.47	-	-
15.	Lal Chand Baid HUF	17,174	0.56	-	17,174	0.56	-	-
16.	Bharat Kumar Baid HUF	1,67,134	5.42	-	1,67,134	5.42	-	-
17.	Jai Sinter Polycon Private Limited	3,54,950	11.52	-	3,54,950	11.52	-	-
<b>Total</b>		<b>15,59,877</b>	<b>50.62</b>	<b>-</b>	<b>15,59,877</b>	<b>50.62</b>	<b>-</b>	<b>-</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of share of the Company*	No. of Shares	% of share of the Company*
There is no change during the financial year 2016-17					



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholding of Each of top 10 Shareholder of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>SANKALP GRANITES PRIVATE LIMITED</b>				
	At the beginning of the year	3,23,169	10.49	3,23,169	10.49
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	3,23,169	10.49
2	<b>SIGO POLYMERS PRIVATE LIMITED</b>				
	At the beginning of the year	1,82,714	5.93	1,82,714	5.93
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	1,82,714	5.93
3	<b>MARATHA PETROCHEMICAL PRIVATE LIMITED</b>				
	At the beginning of the year	1,80,854	5.87	1,80,854	5.87
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	1,80,854	5.87
4	<b>TAKMIN TRADING PRIVATE LIMITED</b>				
	At the beginning of the year	1,45,000	4.71	1,45,000	4.71
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	1,45,000	4.71
5	<b>AUGUST TRADING PRIVATE LIMITED</b>				
	At the beginning of the year	1,36,664	4.43	1,36,664	4.43
	Purchase / (Sale) from 1st April, 2016 to 31st March, 2017	(400)	0.01		
	At the end of the year	-	-	1,36,264	4.42
6	<b>RAJ KUMAR SETHIA</b>				
	At the beginning of the year	85,137	2.76	85,137	2.76
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	85,137	2.76
7	<b>RIDAM POLYMERS PRIVATE LIMITED</b>				
	At the beginning of the year	86,422	2.80	86,422	2.80
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	86,422	2.80
8	<b>PRITTY DEVI SARAWAGI</b>				
	At the beginning of the year	25,952	0.84	25,952	0.84
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	25,952	0.84
9	<b>SANJAY HARIKISHAN</b>				
	At the beginning of the year	11,147	0.36	11,147	0.36
	Purchase / (Sale) from 1st April, 2016 to 31st March, 2017	5	0.00		
	At the end of the year	-	-	11,152	0.36
10	<b>SHRI PARASRAM HOLDINGS PVT. LTD.</b>				
	At the beginning of the year	1,550	0.05	1,550	0.05
	Purchase / (Sale) from 1st April, 2016 to 31st March, 2017	5,780	0.19		
	At the end of the year	-	-	7,330	0.24



## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Bhanwar Lal Baid, Chairman				
	At the beginning of the year	82,338	2.67	82,338	2.67
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	82,338	2.67
2	Bharat Kumar Baid, Managing Director & CEO				
	At the beginning of the year	95,048	3.08	95,048	3.08
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	95,048	3.08
3	Vikram Baid, Whole Time Director & CFO				
	At the beginning of the year	76,076	2.47	76,076	2.47
	There is no change during the financial year 2016-17.				
	At the end of the year	-	-	76,076	2.47

**Note:** The following director and KMP did not held any shares during the financial year 2016-17:

- |                      |                       |
|----------------------|-----------------------|
| 1. Mrs. Anima Bordia | 3. Mr. Niraj Nahata   |
| 2. Mr. Pawan Nahata  | 4. Ms. Rashmi Agarwal |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans Excluding Deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	2,86,45,872	-	-	2,86,45,872
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,86,45,872</b>	<b>-</b>	<b>-</b>	<b>2,86,45,872</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	57,45,115	80,00,000	-	-
Reduction	(46,86,495)	(20,00,000)	-	-
<b>Net Change</b>	<b>10,58,620</b>	<b>60,00,000</b>	<b>-</b>	<b>70,58,620</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	2,97,04,492	60,00,000	-	3,57,04,492
(ii) Interest due but not paid	-	2,13,041	-	2,13,041
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,97,04,492</b>	<b>62,13,041</b>	<b>-</b>	<b>3,59,17,533</b>


**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Bharat Kumar Baid, Managing Director	Vikram Baid, Wholetime Director	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,20,000	21,00,000	43,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,90,600	28,800	4,19,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, (Bonus + PF)	4,58,400	4,32,000	8,90,400
	Total (A)	30,69,000	25,60,800	56,29,800
	Ceiling as per the Act (Schedule V, Part-II, Section-II)	84,00,000		84,00,000

**B. Remuneration to other Directors:**

1. Independent Directors					
S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mrs. Anima Bordia	Mr. Niraj Nahata	Mr. Pawan Nahata	
	· Fee for attending board/ committee meetings	-	-	-	-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2. Other Non - Executive Director					
Name of Director					
Sr. No	Particulars of Remuneration	Mr. Bhanwar Lal Baid			Total Amount
	· Fee for attending board / committee meetings	-			-
	· Commission	-			-
	· Others, please specify	-			-
	<b>Total (2)</b>	-			-
<b>Total (B) = (B)(1)+(B)(2)</b>					-



C. Remuneration to Key Managerial Personnel other than Manager/MD/WTD:

Sr. No	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Ms. Rashmi Agarwal, Company Secretary	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,000	3,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify...	-	-
5	Others (Bonus)	30,000	30,000
	<b>Total</b>	<b>3,30,000</b>	<b>3,30,000</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**PLACE: JAIPUR  
DATE: 04.09.2017**

**FOR AND ON BEHALF OF THE BOARD  
FOR VINAYAK POLYCRON INTERNATIONAL LIMITED**

**Sd/-  
BHARAT KUMAR BAID  
MANAGING DIRECTOR  
DIN : 00212506**

**Sd/-  
VIKRAM BAID  
WHOLE TIME DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN : 00217347**

**Annexure 3****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as per Rule 8 (3) of the Companies (Accounts) Rules, 2014

**A. Conservation of energy**

Energy conservation measures taken during 2016-17:

**1. Steps taken or impact on conversation of energy:**

The operations of the Company are not energy intensive. We regularly evaluate and use new energy efficient technologies and make necessary investment in these equipment to make our infrastructure more energy efficient. The Company has increased the consumption of electricity and reduced the consumption of Fuel as much as possible so that carbon foot-print of your company is reduced.

**2. Steps taken by the Company for utilizing alternate sources of energy**

The company is aggressively replacing normal and Halogen lamps with LED lights to save electricity. All the lights in factory are now replaced wherever possible.

**3. Capital investment on Energy Conservation Equipments**

The Company has not made any Capital investment on Energy Conservation Equipment.

**B. Technology Absorption****(i) Efforts made towards technology absorption**

The company buys latest technology molds and machine parts from its suppliers to keep itself competitive and updated to latest technology available for its production processes.

**(ii) The Benefits derived like product improvement, cost reduction, product development or import substitution**

Reduction in down time, cycle time and repair costs has been achieved through the efforts taken on technology and product development. The company is always updated in terms of production process and technologies.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

a) Details of technology imported: The Company has not imported any technology during the last three financial years.

b) The year of import: Not Applicable

c) Whether the technology has been fully absorbed: Not Applicable

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) Expenditure incurred on Research and Development: NIL

**C. Foreign Exchange earnings and outgo**

There was no Foreign Exchange earnings and outgo in the company during the financial year.

**PLACE: JAIPUR**

**DATE: 04.09.2017**

**FOR AND ON BEHALF OF THE BOARD  
FOR VINAYAK POLYCON INTERNATIONAL LIMITED**

**Sd/-  
BHARAT KUMAR BAID  
MANAGING DIRECTOR  
DIN : 00212506**

**Sd/-  
VIKRAM BAID  
WHOLE TIME DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN : 00217347**



## Annexure 4

### Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### Definitions:

1. "Board" means the Board of Directors of the Company.
2. "Directors" means the Directors of the Company.
3. "Company" means Vinayak Polycron International Limited.
4. "Key Managerial Personnel" (KMP) means:
  - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole time Director;
  - ii) Company Secretary; and
  - iii) Chief Financial Officer
5. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;
6. "Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors and KMP's. Normally, this would comprise all members of management, one level below the Executive Directors, including functional heads.
7. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

#### Objective:

The objective of the policy is to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, KMP senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.



- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**NR Policy**

NR Policy is divided into four parts as follows:

**I. QUALIFICATIONS:** Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

**a. Directors**

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

**b. Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

**c. Senior Management Personnel and KMP and Other Employees**

The Company has an hierarchy structure displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the hierarchy structure of the Company.

**II. REMUNERATION:**

**a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel:**

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package:

Fixed Component		
Basic Salary	Allowances	Superannuation

**b. Structure of Remuneration for Non-executive Director:**

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

- Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
- Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.



- iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- iv. Non-Executive Directors are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

**c. Structure of Remuneration for Other Employees:**

The power to decide structure of remuneration for other employees has been delegated to Mr. Vikram Baid, Whole time Director the Company.

**III. REMOVAL & RETIREMENT**

- a. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.
- b. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**IV. EVALUATION**

**a. Criteria for evaluating Non-executive Board members:**

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non-independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

**b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel:**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

**c. Criteria for evaluating performance of Other Employees:**

The power to decide criteria for evaluating performance of Other Employees has been delegated to Mr. Vikram Baid, Whole time Director of the Company.

**Communication of this Policy:**

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

**Implementation:**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

**Amendment:**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.



**Annexure 5  
Form AOC-2**

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of Contracts or Arrangements or transaction not at arm's length basis: NIL

Name(s) of Related Party and Nature of Relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient features of Contracts/ Arrangements/ Transactions, Including value, if any	Justification for entering into such contracts or arrangements Or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special Resolution passed in general meeting as required under first proviso to Section 188
N.A							

2. Details of Material Contracts or Arrangements or Transactions at arm's length basis:

Related Party and Nature of Relationship	Nature of Contracts / Arrangements/ Transactions	Duration of Contracts/ Arrangements/ Transactions	Salient features of Contracts/ Arrangements/ Transactions, including value, if any	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
Mrs. Vinod Baid, Relative of Director	Rent Payment	11 months subject to renewal	Payment of Rs. 71,500 per month being House Rent of Director's Residence to Mrs. Vinod Baid	19.05.2016	Nil
Crystal Packaging, Relative of Director is Partner	Purchase and Sale Contract	Yearly Contract	Purchase of Manufactured Products & Raw Material from M/s Crystal Packaging and Sale of Scrap to Crystal Packaging upto Rs. 10 Crore in any financial year	19.05.2016	Nil
Jai Sinter Polycon Private Limited, Vikram Baid is Director of the Company	Rent Payment	11 months subject to renewal	Payment of Rs. 2,50,000 per month being rent of Plant & Machinery and Building of M/s Jai Sinter Polycon Private Limited	19.05.2016	Nil
Jai Sinter Polycon Private Limited, Vikram Baid is Director of the Company	Labor Services	11 months subject to renewal	Payment of labor charges of labor supplied by M/s Jai Sinter Polycon Private Limited, Payment will be made as per Invoice of Jai Sinter Polycon Private Limited from time to time	19.05.2016	Nil

**PLACE: JAIPUR  
DATE: 04.09.2017**

**FOR AND ON BEHALF OF THE BOARD  
FOR VINAYAK POLYCON INTERNATIONAL LIMITED**

Sd/-  
**BHARAT KUMAR BAID**  
MANAGING DIRECTOR  
DIN : 00212506

Sd/-  
**VIKRAM BAID**  
WHOLE TIME DIRECTOR &  
CHIEF FINANCIAL OFFICER  
DIN : 00217347

**Annexure 6****Particulars of Employees**

(a) Information as per Rule 5(1) of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2016

**A. Remuneration paid to Whole Time Director/Managing Director**

(Amount in Lakhs)

Name of Director	Remuneration in FY 2016-17	Remuneration in FY 2015-16	% Inc./ (Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Vikram Baid	25.61	21.71	17.96%	26.68
Mr. Bharat Kumar Baid	30.69	26.40	16.25%	31.97

**B. Remuneration paid to KMPs**

Name of KMP	Remuneration in FY 2016-17	Remuneration in FY 2015-16	% Inc./ (Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Vikram Baid, CFO	Nil	N/A	0.00	0.00
Miss Rashmi Agarwal, CS	3.30	3	10.00%	3.44

- C. The median remuneration of employees was Rs. 96,000 in financial year 2016-17 and Rs. 1,08,000 in financial year 2015-16. There was decrease in MRE in financial year 2016-17 of 12.50% as compared to financial year 2015-16.
- D. Number of permanent employees on the rolls of Company was 49 employees as on 31.03.2017.
- E. The aggregate remuneration of the non-managerial employees was Rs. 108.38 Lakhs in financial year 2016-17 and Rs. 99.38 Lakhs in financial year 2015-16. The remuneration of non-managerial employees was increased by 9.46% whereas the remuneration of managerial personnel was increased by 14.74%. The remuneration was increased as per the performance of employees. There are no exceptional circumstances in increase in the managerial remuneration.
- J. Remuneration paid during the year ended 31st March, 2017 is as per the Nomination and Remuneration Policy of the Company.

**(b) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

List of Top 10 employees of the Company according to the remuneration drawn during the year 2016-17 as per the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

Name	Designation	Remuneration (In Rupees)	Qualification	Experience (Years)	Joining Date	Age (Years)	Last Employment
Bharat Baid	Managing Director	3069000	B.Com. FCA	45	*31-12-09	67	Polycon International Limited
Vikram Baid	Whole Time Director & CFO	2560800	B.Com. (HONS), ACA	16	*31-12-09	41	Polycon International Limited
Mahadeo Rao Patil	Plant Engineer	432000	BA	15	*31-12-09	48	Polycon International Limited
Madhumati Patil	Junior Manager	360000	Diploma (Comp)	10	01-09-11	46	-
Shivanand B Biradar	Engineer	354000	Metric	4	01-07-14	38	-
Rashmi Agarwal	Company Secretary & Compliance Officer	330000	B. Com, ACS	2	10-04-15	25	-
Santha Kumar	Engineer	288000	Metric	4	01-07-16	30	-
K.Magesh	Engineer	276000	Diploma Engineer (Electrical)	7	01-07-11	32	-
Ramkaran	Engineer	276000	ITI	8	02-04-11	35	-
Vinod Viswanath	Engineer	276000	B.Com., D Pharma	3	01-04-13	30	-

\*The Company was demerged from Polycon International Limited and incorporated on 31st December, 2009, hence, joining date of employees is taken as 31st December, 2009. Earlier they were working in the Polycon International Limited.



## INDEPENDENT AUDITOR'S REPORT

To the Members of VinayakPolycon International Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Vinayak Polycon International Ltd. ("the Company"), which comprise the balance sheet as at 31st March, 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the Company's Directors, 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 on the standalone financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit, and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended on March 31, 2017.
  - iv. The company has provided requisite disclosures in Note No. 34 to these financial statement as the holding of Specified Bank Notes on November 8, 2016 to December 30, 2016. Based on our enquires, test check on the books of accounts and other details maintained by the company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes. We report that these disclosures are in agreement with the books of accounts maintained by the company.

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

**Sd/-**  
**ASHOK KUMAR NATANI**  
**PARTNER**  
**Membership No. 074692**

**Place : JAIPUR**  
**Date : 30-05-2017**



**Annexure 1 referred to in paragraph 1 of the section on  
"Report on other legal and regulatory requirements" of our report of even date**

**To the Members of Vinayak Polycron International Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not made any investments under Section 186 of the Companies act, 2013. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) According to the information and explanations given to us, the Company is neither required to conduct Cost Audit nor required to maintain Cost Accounting Records for the current financial year under Section 148 of Companies Act, 2013.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government during the year and there were no outstanding debentures.



- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 read with Schedule V to the Companies Act, 2013. Proper approval has been obtained from Members by the Company in the annual general meeting held on 26th September, 2015.
- (xii) In our opinion, the Company is not a nidhi company. therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, transactions with the Related parties are in compliance with section 177 and 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Sd/-**  
**ASHOK KUMAR NATANI**  
**PARTNER**  
**Membership No. 074692**

**Place : JAIPUR**  
**Date : 30-05-2017**

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT****of even date on the Standalone Financial Statements of  
Vinayak Polycron International Limited**

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

**To the Members of Vinayak Polycron International Limited**

We have audited the internal financial controls over financial reporting of Vinayak Polycron International Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and



directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

#### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **EXPLANATORY PARAGRAPH**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Company, which comprise the Balance Sheet as at March 31, 2017, and the related 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, and our report dated May 30, 2017 expressed an unqualified opinion thereon.

Place : JAIPUR  
Date : 30-05-2017

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

**Sd/-**  
**ASHOK KUMAR NATANI**  
**PARTNER**  
**Membership No. 074692**



**VINAYAK POLYCON INTERNATIONAL LIMITED**  
**312, NAVJEEVAN COMPLEX 29, STATION ROAD, JAIPUR.**  
**BALANCE SHEET AS AT 31st MARCH 2017**

(Amt. In Rs.)

PARTICULARS	Note	AS AT 31.03.2017	AS AT 31.03.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	3	30,812,950	30,812,950
Reserve and Surplus	4	8,980,356	7,957,021
		<b>39,793,306</b>	<b>38,769,971</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	9,961,815	0
Deferred Tax Liability (Net)	6	2,347,430	1,706,475
Other Long Term Liabilities	7	9,549,140	9,549,140
Long Term Provisions		0	0
		<b>21,858,385</b>	<b>11,255,615</b>
<b>Current Liabilities</b>			
Short Term Borrowings	8	29,704,492	23,959,377
Trade Payables	9	13,004,601	1,745,770
Other Current Liabilities	10	1,306,500	5,644,167
Short Term Provisions	11	3,024,117	2,825,405
		<b>47,039,710</b>	<b>34,174,719</b>
<b>TOTAL</b>		<b>108,691,401</b>	<b>84,200,305</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	49,035,061	36,264,529
Capital Work in Progress		0	0
Non Current Investments		0	0
Long Term Loans and Advances	13	2,675,661	2,665,221
		<b>51,710,722</b>	<b>38,929,750</b>
<b>Current Assets</b>			
Current Investments		0	0
Inventories	14	6,652,793	9,055,341
Trade Receivables	15	44,368,468	28,847,379
Cash and Cash Equivalents	16	163,848	802,294
Short Term Loans and Advances	17	5,795,570	6,565,541
Other Current Assets		0	0
		<b>56,980,679</b>	<b>45,270,555</b>
<b>TOTAL</b>		<b>108,691,401</b>	<b>84,200,305</b>

Significant Accounting Policies

2

The accompanying notes are an integral part of the Financial Statements

For A. Natani & Co.  
Chartered Accountants  
Firm Regn. No. 007347C

For and on behalf of the Board of Directors

Sd/-  
**CA Ashok Kumar Natani**  
Partner  
Membership No. 074692

Sd/-  
**Bhanwar Lal Baid**  
DIN:00212003  
Chairman

Sd/-  
**Bharat Baid**  
DIN:00212506  
Managing Director

Sd/-  
**Vikram Baid**  
DIN:00217347  
Director

Sd/-  
**Rashmi Agarwal**  
Company  
Secretary

Place : Jaipur  
Date : 30.05.2017

**VINAYAK POLYCON INTERNATIONAL LIMITED****312, NAVJEEVAN COMPLEX 29, STATION ROAD, JAIPUR.****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2017**

(Amt. In Rs.)

PARTICULARS	Note	For the Year Ended	
		31.03.2017	31.03.2016
<b>INCOME</b>			
Revenue from Operations	18	224,592,060	189,115,139
Less: Excise Duty, Taxes Etc.		47,317,011	36,352,779
Net Revenue from Operations		177,275,049	152,762,361
Other Income	19	124,923	148,449
<b>TOTAL</b>		<b>177,399,972</b>	<b>152,910,810</b>
<b>EXPENSES</b>			
Cost of Material Consumed	20	108,282,520	90,213,770
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	21	108,214	(460,580)
Employee Benefits Expense	22	16,928,022	15,689,037
Finance Cost	23	4,557,072	2,711,396
Depreciation and Amortization Expense	12	10,570,532	6,659,486
Other Expenses	24	34,897,401	36,253,189
<b>TOTAL</b>		<b>175,343,761</b>	<b>151,066,298</b>
PROFIT/(LOSS) BEFORE TAX		2,056,211	1,844,512
Less: Tax Expenses			
Current Tax / MAT		(391,921)	(928,542)
Deferred Tax		(640,955)	360,247
<b>PROFIT FOR THE YEAR</b>		<b>1,023,335</b>	<b>1,276,217</b>
Earnings per Equity Share of face value of Rs. 10/- each			
Basic	25	0.33	0.41
Diluted	26	0.33	0.41

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

For and on behalf of the Board of Directors

Sd/-  
**CA Ashok Kumar Natani**  
Partner  
Membership No. 074692

Sd/-  
**Bhanwar Lal Baid**  
DIN:00212003  
Chairman

Sd/-  
**Bharat Baid**  
DIN:00212506  
Managing Director

Sd/-  
**Vikram Baid**  
DIN:00217347  
Director

Sd/-  
**Rashmi Agarwal**  
Company  
Secretary

Place : Jaipur  
Date : 30.05.2017



**VINAYAK POLYCON INTERNATIONAL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017**

	2016-2017 (in Rs. )	2015-2016 (in Rs. )
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	2,056,211	1,844,512
Adjustment for :		
Depreciation	10,570,532	6,659,486
Preliminary/Deferred Expenses Written off	-	92,723
Profit/Loss on sale of Investment/Assets	-	-
Provision written back	-	-
Adjustment for change of useful life of fixed assets as per Schedule II of Companies Act, 2013	-	-
Foreign Exchange	-	-
Interest & Other income on Investments	(124,923)	(143,079)
Interest	4,557,072	2,711,396
<b>Operating profit before working capital changes</b>	<b>17,058,892</b>	<b>11,165,038</b>
<b>Adjustment for (Increase) / Decrease in Operating Assets</b>		
Inventories	2,402,548	1,235,161
Trade Receivables	(15,521,089)	(4,865,198)
Short Term Loans and Advances	769,971	1,074,277
Long Term Loans and Advances	(10,440)	(592,696)
Other Current Assets	-	-
Other Non-Current Assets	(12,359,010)	(3,148,456)
<b>Adjustment for Increase / (Decrease) in Operating Liabilities</b>		
Trade Payables	11,258,831	(2,777,308)
Other Current Liabilities	(4,337,667)	466,963
Other Long Term Liabilities	-	-
Short Term Provisions	198,712	686,325
Long Term Provisions	-	-
<b>Working Capital Changes</b>	<b>(5,239,134)</b>	<b>(4,772,476)</b>
<b>Cash generated from operations</b>	<b>11,819,758</b>	<b>6,392,562</b>
Taxes Paid / Payable Net	391,921	928,541
<b>NET CASH FROM OPERATING ACTIVITIES (A) :</b>	<b>11,427,837</b>	<b>5,464,021</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Expenditure on Fixed Assets Including Capital Advances	(23,341,064)	(3,703,362)
Proceeds from sale of Fixed assets	-	-
Deposits / Investments	-	-
Dividend Income	-	-
Interest Income / Other Income	124,923	143,079
Bank Balances not considered as cash and cash Eq.	-	-
<b>NET CASH FROM INVESTING ACTIVITIES (B) :</b>	<b>(23,216,141)</b>	<b>(3,560,283)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	9,961,815	-
Repayment of long term Borrowings	-	(5,118,085)
Net Increase / Decrease in Working Capital Borrowings	5,745,115	6,414,915
Proceeds from Short Term Borrowings	-	-
Repayment of Short Term Borrowings	-	-
Finance Cost	(4,557,072)	(2,711,396)
Dividend and Tax thereon Paid	-	-
Cash Flow from extraordinary items	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES (C) :</b>	<b>11,149,858</b>	<b>(1,414,566)</b>
<b>Net changes in cash and cash equivalents(A+B+C)</b>	<b>(638,446)</b>	<b>489,172</b>
<b>Cash &amp; Cash equivalents Opening Balance</b>	<b>802,294</b>	<b>313,122</b>
<b>Net changes in cash and cash equivalents</b>	<b>(638,446)</b>	<b>489,172</b>
<b>Cash &amp; Cash equivalents Closing Balance</b>	<b>163,848</b>	<b>802,294</b>

For A. Natani & Co.  
Chartered Accountants  
Firm Regn. No. 007347C

For and on behalf of the Board of Directors

Sd/-  
**CA Ashok Kumar Natani**  
Partner  
Membership No. 074692

Sd/-  
**Bhanwar Lal Baid**  
DIN:00212003  
Chairman

Sd/-  
**Bharat Baid**  
DIN:00212506  
Managing Director

Sd/-  
**Vikram Baid**  
DIN:00217347  
Director

Sd/-  
**Rashmi Agarwal**  
Company  
Secretary

Place : Jaipur  
Date : 30.05.2017

**VINAYAK POLYCON INTERNATIONAL LIMITED****Notes forming part of the Financial Statements****as at and for the year ended March 31, 2017****Note 1 CORPORATE INFORMATION**

Vinayak Polycron International Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company were demerged from Polycron International Limited, a listed 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 and Jaipur.

**Note 2 SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in india. The Company has prepared these financial statements to comply in all material respects with the provisions of Companies Act, 2013 ("The Act") and Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with Paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual. All assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. The accounting policies adopted in preparation of financial statements are consistent with those of the previous year.

**b) Use of Estimates**

The preparation of 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 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 has been provided using the written down value method at the rate determined based on the estimated useful lives of the tangible assets where applicable, specified in the Schedule II to The Act and in keeping with other provisions of the said schedule.

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**

Investments, if any, 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, if any, 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, 2017		As at 31st March, 2016	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
<b>Authorised Share Capital</b>				
Equity shares of Rs. 10/- each with voting rights	3,250,000	32,500,000	3,250,000	32,500,000
<b>Issued, Subscribed and Fully Paid-up</b>				
Equity shares of Rs. 10/- each with voting rights, fully paid up	3,081,295	30,812,950	3,081,295	30,812,950
<b>TOTAL</b>	<b>3,081,295</b>	<b>30,812,950</b>	<b>3,081,295</b>	<b>30,812,950</b>

**3.1) Reconciliation of equity shares and amount outstanding**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
Equity Shares at the beginning of the year	3,081,295	30,812,950	3,081,295	30,812,950
Issued / Subscribed During the year	-	-	-	-
Equity Shares at the end of the year	<b>3,081,295</b>	<b>30,812,950</b>	<b>3,081,295</b>	<b>30,812,950</b>

**3.2) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. All equity shareholders rank equally with regard to dividends and share in the company's residual assets. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing AGM.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	% held	No of Shares	% held
Jai Sinter Polycron Private Limited	354,950	11.52	354,950	11.52
Sankalp Granites Private Limited	323,169	10.49	323,169	10.49
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
	<b>1,208,821</b>	<b>39.23</b>	<b>1,208,821</b>	<b>39.23</b>

The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of 5 years immediately preceding the balance sheet date.

**Note 4 RESERVE & SURPLUS**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
<b>General Reserve</b>		
Balance as at the Beginning of the year	3,040,324	3,040,324
	<b>3,040,324</b>	<b>3,040,324</b>



Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
<b>Surplus in the Statement of Profit and Loss</b>				
Balance as at the Beginning of the year			49,16,697	36,40,480
Add: Profit for the Year			10,23,335	12,76,217
Balance as at the end of the year			<u>59,40,032</u>	<u>49,16,697</u>
<b>TOTAL</b>			<b><u>89,80,356</u></b>	<b><u>79,57,021</u></b>

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

PARTICULARS	AS AT March 31, 2017		AS AT March 31, 2016	
	Current Maturities	Non Current Maturities	Current Maturities	Non Current Maturities
<b>Secured</b>				
a). Term Loan from I.O.B.	0	0	4,686,495	0
<b>Unsecured</b>				
a). Loans from Bodies Corporate		6,213,041		
b) Other		3,748,774		
	<u>0</u>	<u>9,961,815</u>	<u>4,686,495</u>	<u>0</u>

**Note 6 DEFERRED TAX LIABILITY (NET) (Amt. In Rs.)**

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
Deferred tax liability arising on account of: Timing Difference in Depreciable Assets	2,347,430	1,706,475
	<u>2,347,430</u>	<u>1,706,475</u>

**Note 7 Other Long Term Liabilities (Amt. in Rs.)**

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
Balance due to Demerger from Polycon International Limited	9,549,140	9,549,140
<b>TOTAL</b>	<b><u>9,549,140</u></b>	<b><u>9,549,140</u></b>



**Note 8 SHORT TERM BORROWINGS**

(Amt. in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
<b>Secured</b>		
Cash Credit from I.O.B.	29,704,492	23,959,377
<b>TOTAL</b>	<b>29,704,492</b>	<b>23,959,377</b>

Cash credits facilities from Indian Overseas Bank 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 and secured by personal guarantee of three directors of the company. Cash credit is payable on demand and carries interest rate@BR + 2% p.a. on monthly rest (Currently 9.7 + 2 = 11.7%)

**Note 9 TRADE PAYABLES**

(Amt. In Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
Sundry Creditors for goods, services & Exp.	13,004,601	1,745,770
<b>TOTAL</b>	<b>13,004,601</b>	<b>1,745,770</b>

**Note 10 OTHER CURRENT LIABILITIES**

(Amt. in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
Current Maturities of Long Term Borrowings	0	4,686,495
Statutory Dues	899,485	700,726
PF Payable	122,103	119,246
Payable on Account of Capital Goods	284,912	137,700
<b>TOTAL</b>	<b>1,306,500</b>	<b>5,644,167</b>

**Note 11 SHORT TERM PROVISIONS**

(Amt. in Rs.)

PARTICULARS	AS AT	AS AT
	31.03.2017	31.03.2016
Provision for Tax	391,921	928,542
Provision for Expenses	2,632,196	1,896,863
<b>TOTAL</b>	<b>3,024,117</b>	<b>2,825,405</b>



**Note : 12**

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 01.04.2016	Addition during the year	Deduction during the year	As on 31.03.17	Upto 31.03.16	For the year	Deduction during the year	Adj. With Retained Earnings	Total Depreciation	As at 31.03.17	As at 31.03.16
1	1382687	0	0	1382687	0	0	0		0	1382687	1382687
2	13265437	0	0	13265437	7335266	556872			7892138	5373299	5930171
3	58115255	16126286		74241541	35817954	6428125			42246079	31995462	22297301
4	2990548	0	0	2990548	2075721	184160			2259881	730667	914827
5	346311	0	0	346311	321927	4227			326154	20157	24384
6	667655	0	0	667655	542306	39766			582072	85563	125349
7	2160850	0	0	2160850	1769464	130543			1900007	260843	391386
8	780027	0	0	780027	635743	78386			714129	65898	144284
9	26272767	7214778	0	33487545	21218627	3148453			24367080	9120465	5054140
<b>TOTAL</b>	<b>105981537</b>	<b>23341064</b>	<b>0</b>	<b>129322601</b>	<b>69717008</b>	<b>10570532</b>	<b>0</b>	<b>0</b>	<b>80287540</b>	<b>49035061</b>	<b>36264529</b>
Figure for the previous year	102278175	3703362	0	105981537	63057522	6659486	0	0	69717008	36264529	



**Note 13 LONG-TERM LOANS AND ADVANCES (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Unsecured Considered Good (Unless Otherwise stated)		
Security Deposits	2,675,661	2,665,221
<b>TOTAL</b>	<b>2,675,661</b>	<b>2,665,221</b>

**Note 14 INVENTORIES (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Raw Material	3,538,684	5,833,018
Stores	120,300	120,300
Fuel	0	0
Finished Goods	2,993,809	3,102,023
<b>TOTAL</b>	<b>6,652,793</b>	<b>9,055,341</b>

**Note 15 TRADE RECEIVABLES (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Unsecured, Considered Good (Unless Otherwise stated)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	6,613,693	6,724,514
Other trade receivables	37,754,775	22,122,865
<b>TOTAL</b>	<b>44,368,468</b>	<b>28,847,379</b>

**Note 16 CASH AND CASH EQUIVALENTS (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Cash on Hand	147,043	792,044
Balances with Bank		
In Current Accounts	16,805	10,250
<b>TOTAL</b>	<b>163,848</b>	<b>802,294</b>

**Note 17 SHORT-TERM LOANS AND ADVANCES (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Loans and Advances to Related Parties	0	0
Advances against Goods supply / Expenses	823,886	2,173,599
Advance Income Tax (Incl. TDS)	633,017	938,308
Prepaid Expenses	262,039	256,620
Insurance Claim Receivable (NOTE 35)	1,859,754	0
Balance with Excise / Sales Tax / Service Tax	1,958,771	942,328
Advances to Employees (Unsecured, Considered Good)	257,453	593,860
Advances against Capital Goods	650	1,660,826
<b>TOTAL</b>	<b>5,795,570</b>	<b>6,565,541</b>

**Note 18 REVENUE FROM OPERATIONS (Amt. In Rs.)**

<b>PARTICULARS</b>	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
Sale of Products		
Finished Goods (less of Sales Returns) *1	224,592,060	189,115,139

PARTICULARS	FOR THE YEAR ENDED 31.03.2017	FOR THE YEAR ENDED 31.03.2016
		(Amt. in Rs.)
Less: Excise Duty Etc.	47,317,011	36,352,779
	<u>177,275,049</u>	<u>152,762,361</u>
	<b>177,275,049</b>	<b>152,762,361</b>
*1 The amount of Sales of Products has been reduced by Rs 47,30,455 which is the amount of goods sold from Jaipur Unit to Chennai.		
Details of Products Sold:		
Pet Bottles, Jars and Caps	176,852,849	152,407,401
Others	422,200	354,960
<b>TOTAL</b>	<b>177,275,049</b>	<b>152,762,361</b>
<b>Note 19 OTHER INCOME</b>		
Interest Received	124,923	143,079
Miscellaneous Receipts	-	5,370
<b>TOTAL</b>	<b>124,923</b>	<b>148,449</b>
<b>Note 20 COST OF MATERIALS CONSUMED</b>		
A Raw Material		
Inventories at the beginning of the year	5,833,018	7,548,459
Add:- Purchases	100,319,501	85,703,272
	<u>106,152,519</u>	<u>93,251,731</u>
Less:- Inventories at the end of the year	3,538,684	5,833,018
Raw Material Consumed	<u>102,613,835</u>	<u>87,418,713</u>
B Packing Material	5,668,685	2,795,057
<b>TOTAL</b>	<b>108,282,520</b>	<b>90,213,770</b>
Raw Material Consumed: (In Lakhs)		
PET	928.63	781.38
PP	97.50	92.81
Packing Material	56.69	27.95
<b>TOTAL</b>	<b>1,082.82</b>	<b>902.14</b>
<b>Note 21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
Finished Goods at the beginning of the year	3,102,023	2,641,443
Finished Goods at the end of the year	2,993,809	3,102,023
<b>Net Decrease/(Increase)</b>	<b>108,214</b>	<b>(460,580)</b>
<b>Note 22 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Incentives	15,900,240	14,233,936
Contribution to Provident and Other Funds	803,847	775,659
Staff Welfare Expenses	223,935	679,442
<b>TOTAL</b>	<b>16,928,022</b>	<b>15,689,037</b>
<b>Note 23 FINANCE COST</b>		
Interest to Bank and others	4,270,132	2,480,449
Other Borrowing Cost	286,940	230,947
<b>TOTAL</b>	<b>45,57,072</b>	<b>27,11,396</b>

PARTICULARS	FOR THE YEAR ENDED 31.03.2017	FOR THE YEAR ENDED 31.03.2016
<b>Note 24 OTHER EXPENSES</b>		<b>(Amt. in Rs.)</b>
Consumption of Stores and Spare parts	3,827,926	3,733,864
Electricity and Fuel Charges	17,581,741	16,250,813
Payment to Auditors as Auditors - Statutory Audit	25,125	25,250
Repairs and Maintenance Plant and Machinery	876,930	1,495,570
Building	81,993	269,554
Mould	720,350	2,129,500
Others	358,565	330,052
Tour & Traveling Domestic	859,387	891,054
Foreign		
Postage, Telegraph & Telephone	353,733	186,673
Insurance	337,943	303,318
Legal Expenses & Professional Fees	521,656	468,530
Conveyance & Vehicle Maintenance	91,890	100,102
Preliminary Expenses written off	-	92,723
Rates & Taxes	35,398	6,822
Service Tax on Transport	310,081	84,888
Advertisement Expenses	45,071	67,654
Transport, Handling & Octroi (net)	2,774,485	3,519,265
* Rent	1,026,000	1,244,600
* Factory Rent	3,015,000	3,200,050
Gratuity	773,500	-
Income Tax Expenses	576	-
Freight and Cartage Expenses	1,161,322	1,350,009
Miscellaneous Expenses	118,729	502,898
<b>TOTAL</b>	<b>34,897,401</b>	<b>36,253,189</b>

\* Rent and factory rent paid towards lease of Residential apartment, Office premises, and factory. These are subject to renewal by mutual agreement.

#### **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 31.03.2017	FOR THE YEAR ENDED 31.03.2016
Profit attributable to Equity shareholders	1,023,335	1,276,217
Weighted average Number of Equity shares outstanding during the year	3,081,295	3,081,295
Basic Earnings Per Share	0.33	0.41
Diluted Earnings per share	0.33	0.41
Nominal Value per share	10/-	10/-



**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, which constitutes single business segment. As per management perspective the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other business segments to be reported as per AS-17 issued under the Companies (Accounting Standards) Rules, 2006.

**Note 27 CONTINGENT LIABILITIES**

**(Amt. In Rs.)**

	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
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	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Note 28 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

The Ministry of Micro, Small and Medium Enterprise has issued an office memorandum dated 26.08.2008, which recommends that Micro and Small Enterprises should mention in their correspondence with its customers, the entrepreneur's memorandum number as allocated after filing of memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as on 31.03.2017 and 31.03.2016 has been made in the financial statements based on the information provided by the management. Based on the information currently available with the company, there are no dues payable to Micro and Small Suppliers as defined in the Micro, Small and Medium Enterprise Development Act, 2006

	<b>AS AT 31.03.2017</b>	<b>AS AT 31.03.2016</b>
i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
iv) The amount of interest due and payable for the year	-	-
v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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, based on the information provided by the suppliers in turn. This has been relied upon by the auditors.

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

HMI Corporation	Relative of Director are Partner
Jai Sinter Polycron Pvt. Ltd.	Director Holds office of Profit
Crystal Packaging	Relative of Director are Partner
Vinod Baid	Relative of Director

**Key Management Personnel**

Shri Bharat Baid  
Shri Vikram Baid

Notes forming part of Financial Statements (Contd) for the year ended 31st March, 2017

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

(Amt. in Lakhs)

		<b>AS AT</b>	<b>AS AT</b>
		<b>31.03.2017</b>	<b>31.03.2016</b>
<b>Nature of transactions</b>			
1	Sale of goods		
	Crystal Packaging	32.75	180.14
2	Receiving of Services		
	Jai Sinter Polycron Pvt. Ltd.	24.10	23.22
3	Rent		
	Vinod Baid	8.58	8.58
	Jai Sinter Polycron Pvt. Ltd.	30.15	30.00
4	Purchases of Stores and Items		
	H.M.I. Corporation	-	13.29
5	Loans Given / Taken during the year		
	Crystal Packaging	37.48	-
	Managerial Remuneration (As per Companies Act 2013)		
	Mr. Bharat Baid	30.69	26.40
	Mr. Vikram Baid	25.61	21.71
<b>Note 30</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>		
	FOB Value of Exports	NIL	NIL
	Other Income	NIL	NIL



**Note 31 EXPENDITURE IN FOREIGN CURRENCY (Amt. in Rs.)**

	Year ended 31.03.2017	Year ended 31.03.2016
a) Travelling expenses	-	-
b) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Note 32** The Company is neither required to conduct the Cost Audit nor required to maintain Cost Accounting Records for the current financial year.

**Note 33** Inventories, Loans & Advances, Trade Receivables/Payables and other Current/Non-current assets are reviewed annually and in the opinion of the Management do not have a value on realisation in the ordinary course of business, less than the amount at which they are stated in the balance sheet.

**Note 34** Details of Specified Bank Notes (SBN) and Other Denomination Notes held and transacted from 8th November 2016 to 30th December 2016 : (Amt. in Rs.)

Particulars	SBNs	Notes	TOTAL
Closing Cash in Hand as on 08-11-2016	130,000	88,241	218,241
(+) Permitted receipts	0	814,093	814,093
(-) Permitted Payments	130,000	585,795	715,795
(-) Amount deposited in Banks	0	0	-
Closing Cash in Hand as on 30-12-2016	0	316,539	316,539

**Note 35** A severe tropical cyclone named "VARDHA" hit the coast of Tamil Nadu on 12th December 2016 and caused damaged to the fixed assets and inventories at company's premises located at No. 16, Pandur Village, Kayarambedu post, Via Guduvenchery, District Kanchipurma, Tamil Nadu. The company has comprehensive Insurance, with re-instatement clause with The New India Assurance Company Limited. A claim of Rs. 18.59 Lacs was lodged with them. Out of this, Rs. 8.31 Lakhs was for Inventories and Rs. 10.28 Lakhs was for fixed assets. The settlement of the same is pending. The said amount has been shown as insurance claim receivable under the head "SHORT TERM LOANS AND ADVANCES" (Note No. 17) A short fall/ surplus, if any, shall be accounted for when the claim is finally settled by the insurance company.

**Note 36** Previous year's figure have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For A. Natani & Co.  
Chartered Accountants  
Firm Regn. No. 007347C

For and on behalf of the Board of Directors

Sd/-  
**CA Ashok Kumar Natani**  
Partner  
Membership No. 074692

Sd/-  
**Bhanwar Lal Baid**  
DIN:00212003  
Chairman

Sd/-  
**Bharat Baid**  
DIN:00212506  
Managing Director

Sd/-  
**Vikram Baid**  
DIN:00217347  
Director

Sd/-  
**Rashmi Agarwal**  
Company  
Secretary

Place : Jaipur  
Date : 30.05.2017

(VINAYAK POLYCON INTERNATIONAL LIMITED)

(CIN: L25209RJ2009PLC030620)

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

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

Phone: 0141-2377007, Fax: 0141-2378830

PROXY FORM

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

Name :..... Email Id:-.....

Address:.....

Signature: ..... or failing him / her;

Name :..... Email Id:-.....

Address: .....

Signature: ..... or failing him / her;

Name :..... Email Id:-.....

Address: .....

Signature: ..... or failing him / her;

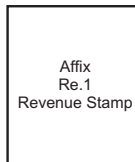
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 8th Annual General Meeting of the Company, to be held on Friday, the 29th September, 2017 at 4.00 p.m. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 4 columns: No., Resolutions, For, Against. It lists three resolutions for the annual general meeting, including financial statements, director appointment, and auditor ratification.

Signed this.....day of.....2017.

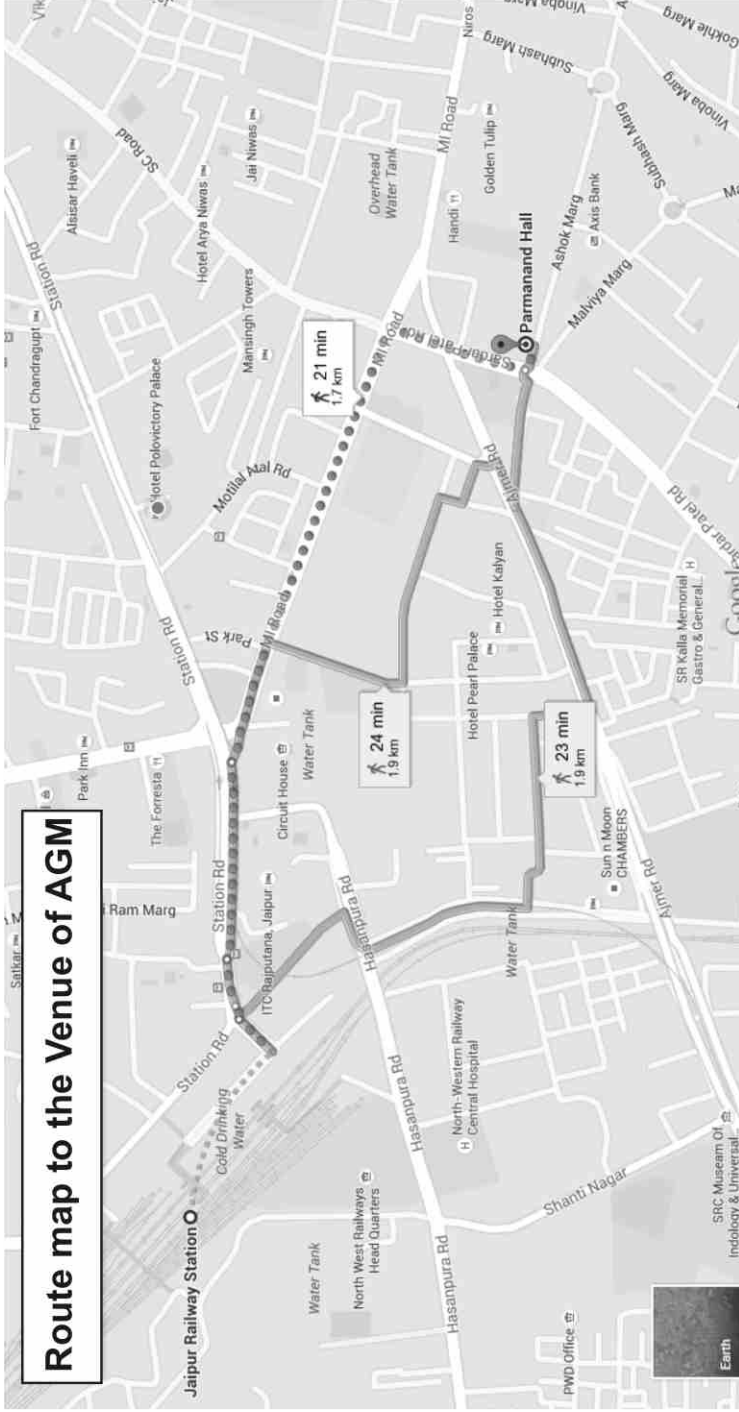
Signature of Shareholder .....

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



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

# BOOK-POST



If undelivered please returned to :



**VINAYAK POLYCON International Ltd.**

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