

VINAYAK POLYCON International Ltd.

9th

**ANNUAL REPORT
2017-2018**



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Board of Directors

Mr. Bhanwar Lal Baid (DIN: 00212003)
Chairman

CA Bharat Kumar 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 Kumar 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
Bank of Baroda

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:

Particulars	(Amount In Lakhs)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	
PROFIT & APPROPRIATIONS										
Sale & Other Income	0.00	1388.03	1357.76	1821.13	1942.86	1712.83	1529.11	1774.00	1894.50	
Profit Before Depreciation & Tax	0.00	116.52	105.58	108.64	102.74	92.90	85.04	126.27	91.22	
Depreciation	0.00	109.80	95.33	100.78	90.50	76.52	66.59	105.71	86.19	
Profit before Tax	0.00	6.72	10.25	7.86	12.24	16.38	18.45	20.56	5.03	
Taxation	0.00	1.55	3.18	2.94	3.46	5.02	5.69	10.33	-6.19	
Profit After Tax	0.00	5.17	7.07	4.92	8.78	11.36	12.76	10.23	11.22	
Dividend	0.00	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	0.36	
ASSETS EMPLOYED										
Fixed Assets Gross	0.00	950.27	998.75	1058.29	1021.56	1022.78	1059.81	1293.23	1324.61	
Depreciation	0.00	289.02	383.35	484.13	553.17	630.57	697.17	802.88	889.06	
Net	0.00	661.25	615.40	574.16	468.39	392.21	362.64	490.35	435.55	
Capital work in progress	0.00	0.00	1.50	0.00	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	0.00	
Net Current Assets	4.47	478.93	102.07	125.91	124.26	149.14	142.80	99.41	102.60	
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.76	39.42	
Miscellaneous Expenditure	2.11	4.64	3.70	2.78	1.85	0.93	0.00	0.00	0.00	
	6.58	1144.82	722.67	702.85	594.50	542.28	505.44	616.52	577.57	
FINANCED BY										
Equity Shares	5.00	308.12	308.13	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	101.03	
Loan Funds	1.58	771.51	342.13	318.90	205.07	146.67	100.68	195.12	154.30	
Deferred Tax Liability	0.00	29.61	29.77	28.26	24.96	20.67	17.06	23.47	14.11	
	6.58	1144.82	722.67	702.85	594.50	542.28	505.44	616.52	577.57	

(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 NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF VINAYAK POLYCON INTERNATIONAL LIMITED will be held at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 (Rajasthan) on Saturday, 29th September, 2018 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Bhanwar Lal Baid (DIN 00212003), who is liable to retire by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mrs. Anima Bordia (DIN: 06941148) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) **Mrs. Anima Bordia (DIN: 06941148)**, Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent

Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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

4. **Re-appointment of Mr. Niraj Nahata (DIN: 06830067) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) **Mr. Niraj Nahata (DIN: 06830067)**, Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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

5. **Re-appointment of Mr. Pawan Nahata (DIN: 06945991) as an Independent Director and in**

this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) **Mr. Pawan Nahata (DIN: 06945991)**, Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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

6. Re-appointment of Mr. Vikram Baid as Executive Director and approval of Remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the

concerned authorities (if any) while granting such approvals as may be applicable, the consent of the members be and is hereby accorded to the reappointment of **Mr. Vikram Baid, Whole Time Director designated as Executive Director** of the Company for a period of **5 years (Five years) w.e.f. 1st April, 2019 to 31st March, 2024** on the terms and conditions including remuneration, as set out below with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits as approved by shareholders in general meeting or limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof:

- (I) Basic Salary:** Rs. 1,95,000/- p.m. fixed w.e.f. 1st April, 2019 which can be increased upto maximum of Rs. 4,00,000/- p.m. during the five years of tenure.
- (II) Perquisites:** In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Executive Director:

CATEGORY (A)

a) Housing

HRA in addition to Salary: Rs. 15,000/- p. m.

b) Club Fees

Fees payable subject to a maximum of two clubs.

CATEGORY (B)

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

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

CATEGORY (C)

(a) Conveyance

Free use of the company's car along with driver. Personal use of car shall be billed by the Company.

(b) Telephone

Free telephone facility at residence. Personal long-distance calls shall be billed by the Company.

(c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Mr. Vikram Baid shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

(d) Sitting Fee

No sitting fee shall be paid to Mr. Vikram Baid for attending the Meetings of Board of Directors or any committee thereof.

He shall be liable to retire by rotation.

(e) Where in any financial year, the company has no profit or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Mr. Vikram Baid subject to the applicable provisions of Schedule V to the said Act.**Other Terms & Conditions:**

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

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Mr. Vikram Baid be

suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT Mr. Bharat Kumar Baid, Managing Director and Ms. Rashmi Agarwal, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

7. Re-appointment of Mr. Bharat Kumar Baid as Managing Director and approval of Remuneration

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Articles of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable, the consent of the members be and is hereby accorded to the reappointment of **Mr. Bharat Kumar Baid as Managing Director** of the Company for a period of **5 years (Five years) w.e.f. 1st April, 2019 to 31st March, 2024** on the terms and conditions including remuneration, as set out below with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits as approved by shareholders in general meeting or limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof:

- (I) **Basic Salary:** Rs. 2,05,000/- p.m. fixed w.e.f. 1st April, 2019 which can be increased upto maximum of Rs. 4,00,000/- p.m. during the five years of tenure.
- (II) **Perquisites:** In addition to above the following perquisites not exceeding the overall ceiling as

prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Managing Director:

CATEGORY (A)**a) Housing**

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

b) Club Fees

Fees payable subject to a maximum of two clubs.

CATEGORY (B)

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

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

CATEGORY (C)**(a) Conveyance**

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

(b) Telephone

Free telephone facility at residence. Personal long-distance calls shall be billed by the Company.

(c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Mr. Bharat Kumar Baid, Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

(d) Sitting Fee

No sitting fee shall be paid to Mr. Bharat Kumar Baid, Managing Director for attending the Meetings of Board of Directors or any committee thereof.

He shall not be liable to retire by rotation.

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

Other Terms & Conditions:

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

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Mr. Bharat Kumar Baid be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT Mr. Vikram Baid, Executive Director & CFO and Ms. Rashmi Agarwal, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

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

Date: 03.09.2018

Place: Jaipur

**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 IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, FILLED, SIGNED AND 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. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 23rd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of AGM.
6. 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.

7. Members are requested to:
 - a) Notify the change in address if any, with Pin Code numbers and/or bank mandate immediately to the Company and to the Registrar and Share Transfer Agent (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.
8. 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**

9. 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.
10. In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013 Mr. Bhanwar Lal Baid (DIN: 00212003) 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 Listing Regulations, the information about the directors proposed to be reappointed is given in the Annexure 1 to the Notice.

11. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

12. SEBI has vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 has mandated that - "except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."

Accordingly, the members are requested to note that request for transfer of shares held in physical form will not be processed w.e.f. 5th December, 2018 and it shall be mandatory to demat the securities for getting the shares transferred.

13. 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 and further requested to dematerialize their physical holdings.

14. The Notice of AGM along with the Annual Report 2017-18 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.

- 15. 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.**
- 16. 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.**
- 17. 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.**
- 18. The Company has engaged the services of National Securities Depository Limited (NSDL) as Agency to provide e-voting facility.**
- 19. Annual Report and AGM Notice is available at the website of the Company at www.vinayakpolycon.com under 'Annual Reports' tab and on the website of NSDL at www.ndsl.co.in.**
- 20. 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 Listing Regulations, 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.**
- 21. 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.

22. Remote e-voting facility would remain open from Tuesday, 25th September, 2018 (9:00 A.M.) to Friday, 28th September, 2018 (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, 2018, 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.
23. 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, 2018 ('cut-off date').
24. 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.
25. 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. 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 09TH 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.
- II. **In case of Members receiving Physical copy of Notice of 09th 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 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).
26. 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 scrutineer, 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.
27. 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 scrutineer'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.
28. 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 scrutineer's report shall be placed on the Company's website 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.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 3 to 5: Reappointment of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata as****Independent Directors**

Mrs. Anima Bordia (DIN: 06941148), aged 45 years, Mr. Niraj Nahata (DIN: 06830067), aged 31 years and Mr. Pawan Nahata (DIN: 06945991), aged 41 years, were appointed as Independent Directors on the Board, pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Members of the Company in the 05th AGM held on 6th September, 2014. They will hold office as Independent Directors of the Company for a period of five consecutive years, upto 31st March, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors and Nomination and Remuneration Policy ("NRC Policy"), has recommended the re-appointment of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. In the opinion of the Board, Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata fulfil the conditions for re-appointment as Independent Directors as specified in the Act and the Listing Regulations. Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata are independent of the management.

Considering the re-appointment of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata, is for second term of 5 (five) consecutive years, hence their re-appointment as Independent Director requires approval of members by way of Special Resolution as provided in the Act and Listing Regulations.

Accordingly, it is proposed to re-appoint Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata as Independent Directors of the Company, not liable to retire by rotation and to hold office for a further term of

5 (five) consecutive years on the Board of the Company with effect from 1st April, 2019 to 31st March, 2024.

Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata have given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of (Appointment & Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 (as amended).

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata for the office of Independent Directors of the Company.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. **3, 4 and 5** are provided in the "Annexure 1" to the Notice pursuant to the provisions of (i) Regulation 36(3) of the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata are interested in the resolutions set out respectively at Item Nos. **3, 4 and 5** of the Notice with regard to their respective re-appointments. The relatives of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out at Item Nos. **3, 4 and 5** of the Notice for approval by the members.

Item No. 6 & 7: Reappointment of Mr. Vikram Baid as Executive Director and Mr. Bharat Kumar Baid as Managing Director and approval of their Remuneration

Mr. Vikram Baid (DIN: 00217347), aged 42 years and Mr. Bharat Kumar Baid (DIN: 00212506), aged 68 years, were appointed as Executive Director and

Managing Director, respectively, on the Board, pursuant to the provisions of Section 196, 197, 198, 203 read with schedule V of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the Members of the Company in the 05th AGM held on 6th September, 2014. They will hold office as Executive Director and Managing Director of the Company for a period of five consecutive years, upto 31st March, 2019.

The Nomination and Remuneration Committee, on the basis of performance evaluation of Executive Director and Managing Director and Nomination and Remuneration Policy ("NRC Policy"), has recommended the re-appointment of Mr. Vikram Baid and Mr. Bharat Kumar Baid as Executive Director and Managing Director, respectively, for a term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Executive Director and Managing Director and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Vikram Baid and Mr. Bharat Kumar Baid would be beneficial to the Company and it is desirable to continue to avail their services as Executive Director and Managing Director, respectively, on the terms and conditions as set out in the Resolution **6 and 7**.

Accordingly, it is proposed to re-appoint Mr. Vikram Baid as Executive Director and Mr. Bharat Kumar Baid as Managing Director of the Company to hold office for a further term of 5 (five) consecutive years on the Board of the Company with effect from 1st April, 2019 to 31st March, 2024.

INFORMATION PURSUANT TO PARA 1(A) OF SECTION II OF PART II OF THE SCHEDULE V TO THE COMPANIES ACT, 2013

I. General Information

- Nature of Industry:** The Company is in the business of manufacturing of Plastic Containers & Closures.
- Date or expected date of commercial production:** The Company was incorporated on 31st December, 2009 and commercial production was transferred to Company under the demerger scheme approved by the

Honourable High Court of Rajasthan, Jaipur Bench vide Order Dated 21st July, 2011.

3. Financial Performance based on given indicators: The financial performance of the Company during the previous three financial years is as under:

(Amount in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2016
Revenue from Operations	1894.50	2067.65	1529.11
Profit Before Interest, Depreciation & Tax	128.83	171.84	112.15
Less: Financial Cost	37.61	45.57	27.11
Profit Before depreciation & Tax	91.22	126.27	85.04
Less: Depreciation	86.19	105.71	66.59
Profit/(loss) Before exceptional items	5.03	20.56	18.45
Less: Exceptional Items	0.00	0.00	0.00
Profit Before Tax	5.03	20.56	18.45
Less: Tax Liability (including deferred tax)	-6.19	10.33	5.69
Profit/(Loss) After Tax	11.22	10.23	12.76

4. Foreign investments or collaborations, if any: NIL

II. Information About the Appointee:

1. Background details: Mr. Bharat Kumar Baid aged about 68 years is one of the key promoters of the Company. He is Director of the Company since its incorporation and holding 95,048 Equity Shares in the Company as on 30th June, 2018. He is member of pioneer institution i.e. Institute of Chartered Accountants of India (ICAI). He has vast experience of more than four decades in the Manufacturing Industry.

Mr. Vikram Baid aged about 42 years is one of the key promoters of the Company. He is Director of the Company since its incorporation and holding 76,076 Equity Shares in the Company as on 30th June, 2018. He is a Bachelor of Commerce (Hons.), Master of Business Finance (MBF) and a member of pioneer institution i.e. Institute of Chartered Accountants of India (ICAI). He has vast experience of more than 17 years in the Manufacturing Industry.

2. Past Remuneration and Proposed Remuneration:

Mr. Bharat Kumar Baid

Past Remuneration

Basic Pay Rs. 1.25 Lakhs per month which can be increased upto Rs. 4 Lakhs per month during five years of his tenure.

Other perquisites as mentioned in the resolution. (From 1st April, 2014 to 31st March, 2019)

Present Basic Pay is Rs. 2.05 Lakhs per month

Proposed Remuneration

Basic Pay Rs. 2.05 Lakhs per month which can be increased upto Rs. 4 Lakhs per month during five years of his tenure.

Other perquisites as mentioned in the resolution. (From 1st April, 2019 to 31st March, 2024)

Mr. Vikram Baid

Past Remuneration

Basic Pay Rs. 1.05 Lakhs per month which can be increased upto Rs. 4 Lakhs per month during five years of his tenure.

Other perquisites as mentioned in the resolution. (From 1st April, 2014 to 31st March, 2019)

Present Basic Pay is Rs. 1.95 Lakhs per month

Proposed Remuneration

Basic Pay Rs. 1.95 Lakhs per month which can be increased upto Rs. 4 Lakhs per month during five years of his tenure.

Other perquisites as mentioned in the resolution. (From 1st April, 2019 to 31st March, 2024)

3. Recognition or Awards: Mr. Bharat Kumar Baid is member of various Organizations relating to plastic trade and industry.

Mr. Vikram Baid is associated with Organizations relating to plastic trade and industry and religious associations. He was elected to the executive board of "Plastic Manufacturers Association of Rajasthan" and "Employers' Association of Rajasthan".

4. Job Profile and his suitability: Mr. Bharat Kumar Baid is looking after the overall affairs of the Company subject to superintendence, control and directions of the Board of Directors. He is looking after Chennai Plant Operations, Procurement / Sourcing, Administration &

Management subject to superintendence, control and direction of the Board of Directors.

Mr. Vikram Baid is looking after Jaipur Plant Operations, Procurement / Sourcing, Administration & Management subject to superintendence, control and direction of the Board of Directors. He is also handling all the Taxation and Accounting related matters.

Taking into account of their qualifications, experience and comparison with similarly situated managerial personnel in the industry and responsibilities placed on them and in view of his contribution to the Company since their appointment, the Board considers their remuneration is in the best interest of the Company.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The Company has paid up share capital of Rs. 308.13 Lakhs and is listed with Bombay Stock Exchange i.e. BSE Ltd. with approx 790 shareholders. It is engaged in the business of manufacturing of Plastic Containers & Closures with Turnover of Rs. 1894.50 Lakhs during the F.Y. 2017-18. Considering the size of the Company and profile of Mr. Bharat Kumar Baid and Mr. Vikram Baid, responsibilities shouldered by them the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies in the same Industry.
6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any: Excepting the payment of remuneration for their services detailed in the resolution they have no other pecuniary relationship with the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Bhanwar Lal Baid, Mr. Bharat Kumar Baid and Mr. Vikram Baid being related to each other are interested in this resolution.

III. Other information:

1. Reasons of loss or inadequate profit: The Company earned profit after tax of Rs. 11.22 Lakhs for the financial year 2017-18 as compared to Profit before Tax of Rs. 10.23 Lakhs in the year 2016-17. During the financial year 2017-18, the Company is having inadequate profit and therefore these

resolutions have been proposed.

2. Steps taken or proposed to be taken for improvement: The Company is adding new clients to its customer base and moving to products with higher margin to improve its profitability. The Company is hopeful that these measures will yield good returns in future.
3. Expected increase in productivity and profits in measurable terms: The Company has taken initiatives to improve the profitability of the Company and will continue in its endeavor to improve performance and Management expects a reasonable growth in business, gross revenue and net profit in the coming year.

Mr. Vikram Baid and Mr. Bharat Kumar Baid have given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of (Appointment & Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013.

Details of Directors whose re-appointment as Executive Director and Managing Director is proposed at Item Nos. **6 and 7** are provided in the "Annexure 1" to the Notice pursuant to the provisions of (i) Regulation 36(3) of the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

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

The Board recommends the Special Resolutions set out at Item Nos. **6 and 7** of the Notice for approval by the members.

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

Date: 03.09.2018

Place: Jaipur

**VIKRAM BAID
WHOLE TIME DIRECTOR
DIN : 00217347**

**Annexure 1:**

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 Directors who are proposed to be re-appointed at the ensuing Annual General Meeting:

Name of the Director	Bhanwar Lal Baid	Anima Bordia	Niraj Nahata	Pawan Nahata	Vikram Baid	Bharat Kumar Baid
Age	88 years	45 Years	31 Years	41 Years	42 Years	68 Years
Date of First Appointment on Board	31 st December, 2009	14 th July, 2014	14 th July, 2014	14 th July, 2014	31 st December, 2009	31 st December, 2009
Designation	Chairman	Non-Executive Independent Director	Non-Executive Independent Director	Non-Executive Independent Director	Executive Director and CFO	Managing Director
Brief Resume in specific Functional areas	Mr. Bhanwar Lal Baid is promoter & Director of the Company since inception having more than 60 years of experience in Manufacturing industry. He is having expert knowledge & experience in general office administration & legal matters.	Mrs. Anima Bordia is having more than 15 years' experience in Gems and Jewels Industry. She possesses appropriate skills, experience and knowledge in field of Management. She is successfully running Gems and Jewellery Business catering local and export market.	Mr. Niraj Nahata is an Experienced Practicing Accountant with more than 5 years' experience. He is a expert in Financial, GST and other tax related matters.	Mr. Pawan Nahata is a Chartered Accountant having more than 15 years' experience in wholesale and retail industry. He is a expert of Marketing and Sales related matters.	Mr. Vikram Baid is a Chartered Accountant having more than 15 years' experience in wholesale and retail industry. He is a expert of Marketing and Sales related matters.	Mr. Bharat Kumar Baid is promoter & Director of the Company since inception. He is a Bachelor of Commerce (Hons.), Master of Business Finance (MBA) and a member of Chartered Accountants (ICAI). He has 20 years' experience in various plastic moulding techniques and mould making. He is also an expert in Financial and Tax related matters.
Qualification(s)	B.Sc. L.I.B.	B.Sc. (Home Science)	B.Com., ACA	B.Sc., FCA	B.Com (Hons.), MBF and ACA	B.Com (Hons.), FCA
Experience	60 Years	15 Years	5 Years	15 Years	17 Years	46 Years
Terms and conditions of reappointment	In terms of Section 152(6) of the Act, Mr. Bhanwar Lal Baid who was re-appointed as Non-Executive Director at the Annual General Meeting held on 26 th September, 2016 and is liable to retire by rotation at the Meeting.	As per the Resolution at item no. 4 of the notice convening this Meeting read with Explanatory Statement thereto.	As per the Resolution at item no. 4 of the notice convening this Meeting read with Explanatory Statement thereto.	As per the Resolution at item no. 6 of the notice convening this Meeting read with Explanatory Statement thereto.	As per the Resolution at item no. 6 of the notice convening this Meeting read with Explanatory Statement thereto.	As per the Resolution at item no. 7 of the notice convening this Meeting read with Explanatory Statement thereto.

Remuneration last drawn (including Sitting Fees, if any):	Nil	Nil	Nil	Nil	Rs. 25,60,800 (For Remuneration details, Please refer Annexure-2, to the Board's Report)	Rs. 30,69,000 (For Remuneration details, Please refer Annexure-2, to the Board's Report)
Remuneration proposed to be paid	Nil	Nil	Nil	Nil	As per the Resolution at item no. 6 of the notice convening this Meeting read with explanatory Statement thereto.	As per the Resolution at item no. 7 of the notice convening this Meeting read with explanatory Statement thereto.
Name of the Companies in which directorship held as on 31 st March, 2018	None	None	None	None	Jai Sinter Polycon Private Limited	None
Member/Chairman of the Committee of other companies	None	None	None	None	None	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	He is father of Mr. Bharat Kumar Baid, Managing Director and grandfather of Mr. Vikram Baid, Executive Director.	Not applicable	Not applicable	Not applicable	He is son of Mr. Bharat Kumar Baid, Managing Director and grandson of Mr. Bharat Kumar Baid, Chairman.	He is father of Mr. Vikram Baid, Executive Director and son of Mr. Bhanwar Lal Baid, Chairman.
No. of Equity Shares held in the Company as on 31 st March, 2018	82,338	Nil	Nil	Nil	76,076	95,048
No. of Board Meetings attended during the year	2	6	4	4	6	6

By Order of the Board
For Vinayak Polycon International Limited

VIKRAM BAID
WHOLE TIME DIRECTOR
DIN : 00217347

Date: 03.09.2018
Place: Jaipur

BOARD'S REPORT

To,
The Members,
Vinayak Polycon International Limited

Your Directors have pleasure to present their Ninth Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on 31st March, 2018 and Auditor's Report thereon.

1. Financial Summary / Highlights:

The financial performance of the company for the year ended 31st March, 2018 is summarized below:

(Amount in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sales		
Domestic	1892.98	2066.40
Export	0.00	0.00
Other Revenue	1.52	1.25
Total Revenue	1894.50	2067.65
Total Expenses	1889.47	2047.09
Profit Before Interest, Depreciation & Tax	128.83	171.84
Less: Financial Cost	37.61	45.57
Profit Before depreciation & Tax	91.22	126.27
Less: Depreciation	86.19	105.71
Profit/(loss) Before exceptional item	5.03	20.56
Profit Before Tax	5.03	20.56
Less: Tax Liability (including deferred tax)	-6.19	10.33
Profit/(Loss) After Tax	11.22	10.23

2. Performance Review

Financial information is presented in accordance with the Indian Accounting Standards (Ind-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. The investments done last year could not yield full potential due to implementation of GST in the current year. The implementation led to de-stocking by our OEM buyers pre-GST and the sales could not increase as it should have. Still the company managed a modest growth. It is not visible in the statement above due to adoption of Ind-AS in the current year.

Briefly, during the year under report, the Company's total income decreased to Rs. 1894.50 lakhs from Rs. 2067.65 lakhs in the previous year, registering a decline of 8.37%.

This is primarily due to inclusion of excise duty in sales and exclusion of GST from sales as per Ind AS requirements. Earnings before Interest, Depreciation and Tax decreased to Rs. 128.83 lakhs as from Rs. 171.84 lakhs in the preceding year which translates into a fall of 25.03 %. However, Profit after Tax (PAT) is Rs. 11.22 lakhs as against Rs. 10.23 lakhs in previous 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, 2018.

4. Reserves

The Board has not proposed transfer of any amount to General Reserve. Profits of the Company during the year i.e. Rs. 11.22 Lakhs is transferred to the Profit & Loss A/C for the

Financial Year 2017-18, 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 2017-18, your Company has not invited, accepted or renewed any deposits from the public within the meaning 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 6th September, 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. In accordance with the provisions of Companies (Amendment) Act, 2017 notified w.e.f. 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditor is not required to be ratified at every AGM.

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, 2018. 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.

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 2017-18.

The Secretarial Audit Report for the financial year 2017-18 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 2018-19.

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 2017-18. Mr. Vikram Baid is a Chartered Accountant as required under Section 138 of the Companies Act, 2013.

The Board of Directors have re-appointed Mr. Vikram Baid as Internal Auditor of the Company for the financial year 2018-19.

9. Capital Structure

During the Financial Year 2017-18 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, 2018, 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

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Listing Regulations and provisions of the Articles of Association of the Company. Your Board has been constituted with requisite diversity, wisdom and experience commensurate to the scale of operations of your Company.

Mr. Vikram Baid (DIN: 00217347), Executive Director of the Company who retired and being eligible, was re-appointed at the 08th AGM of the Company. 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. Bhanwar Lal Baid, Director of the Company retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

Mrs. Anima Bordia (DIN: 06941148), Mr. Niraj Nahata (DIN: 06830067) and Mr. Pawan Nahata (DIN: 06945991) were appointed as Independent Directors by Shareholders in the 05th AGM of the Company to hold office for a term upto 31st March, 2019. The Board, based

on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mrs. Anima Bordia, Mr. Niraj Nahata and Mr. Pawan Nahata would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. The Board recommends their re-appointment.

Mr. Vikram Baid (DIN: 00217347), Executive Director and Mr. Bharat Kumar Baid (DIN: 00212506), Managing Director were appointed by Shareholders in the 05th AGM of the Company to hold office for a term upto 31st March, 2019. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Vikram Baid and Mr. Bharat Kumar Baid would be beneficial to the Company and it is desirable to continue to avail their services as Executive Director and Managing Director respectively. The Board recommends their re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the required information about the Directors proposed to be reappointed has been annexed to the Notice convening the 09th Annual General Meeting.

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.

13. Number of meetings of the Board of Directors

The Board of Directors met six times during the financial year 2017-18 on 30th May, 2017, 14th

August, 2017, 4th September, 2017, 13th December, 2017, 13th February, 2018 and 12th March, 2018. 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 Directorships of Other Companies	No. of Committee Memberships	No. of Committee Chairmanships
Mr. Bhanwar Lal Baid, Chairman	Non-Executive Director & Promoter	6	2	No	-	-	-
Mr. Bharat Kumar Baid, Managing Director	Executive Director & Promoter	6	6	Yes	-	-	-
Mr. Vikram Baid, Whole-time Director	Executive Director & Promoter	6	6	Yes	1	-	-
Mr. Pawan Nahata, Director	Non- Executive Independent Director	6	4	No	-	3	-
Mr. Niraj Nahata, Director	Non- Executive Independent Director	6	4	No	-	3	-
Mrs. Anima Bordia, Director	Non- Executive Independent Director	6	6	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	<p>As per Section 177 of the Companies Act, 2013, following are the duties of Audit committee:</p> <p>To oversee the financial reporting process and disclosure of financial information.</p> <p>To review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board.</p> <p>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.</p> <p>To recommend the appointment of the internal and statutory auditors and fixing their remuneration.</p> <p>To hold discussions with the statutory and internal auditors.</p> <p>Audit committee performed all of its duties during the year.</p> <p>All recommendations made by the audit committee during the year were accepted by the Board.</p> <p>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, http://www.vinayakpolycon.com/policies</p>
Nomination and Remuneration Committee	Mrs. Anima Bordia, Chairperson	<p>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:</p> <p>Carry out assignments from time to time, as prescribed under Schedule V to the Companies Act, 2013.</p> <p>To recommend to the Board, compensation terms of the Executive Directors.</p> <p>To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.</p> <p>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.</p> <p>The Nomination and Remuneration Committee has framed the Nomination and Remuneration Policy which is available on the website of the Company.</p>
Stakeholders Relationship Committee	Mrs. Anima Bordia, Chairperson Mr. Niraj Nahata Mr. Pawan Nahata	<p>The committee reviews and ensures redressal of investor grievances.</p> <p>The committee noted that all the grievances of the investors have been resolved.</p>

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 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 4**.

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 as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is annexed to this Board's

Report and marked as **Annexure 5**.

A statement containing the information of top ten employees in terms of remuneration drawn as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is annexed to this Board's Report and marked as **Annexure 5**.

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 31st March, 2018, 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's assets. The Company is following all the applicable Indian 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 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 2017-18, 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 31st March, 2018 is Rs. 1894.50 lakhs. The Profit before interest, depreciation and tax is Rs. 128.83 lakhs. However, profit after tax is Rs. 11.22 lakhs.

Your Company is engaged in the manufacturing of Plastic Containers and Closures 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, 2018, the Company employed a total of 39 employees of which 13 were Officers and 26 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 Financial Year 2018-19 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 available on the Company's website at <http://www.vinayakpolycon.com/sites/default/files/Insider%20Trading%20Code%20%28Effective%20from%2015th%20May%202015%29.pdf>.

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 Polycon 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 Listing Regulations, 2015, compliance with the certain provisions of Listing 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 Listing 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 31st March, 2018, the applicable Indian 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.

Acknowledgement

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: 03.09.2018

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

**BHARAT KUMAR BAID
MANAGING DIRECTOR
DIN : 00212506**

**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, 2018

[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 Polycon 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 Polycon 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, 2018 ('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, 2018 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**)

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 03, 2018

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

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 03, 2018

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

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 31st March, 2018

[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 st December, 2009
iii	Name of the Company	Vinayak Polycon International Limited
iv	Category of the Company Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
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: investor@vinayakpolycon.com Website : www.vinayakpolycon.com
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: info@masserv.com

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	22203	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	
A. Promoters									
(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....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	15,59,877	-	15,59,877	50.62	15,59,877	-	15,59,877	50.62	0
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	15,59,877	-	15,59,877	50.62	15,59,877	-	15,59,877	50.62	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
(2) Non- Institutions									
a) Bodies Corp.									
i) Indian	9,97,822	74,152	10,71,974	34.79	9,95,374	74,152	10,69,526	34.71	(0.08)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,76,738	1,48,056	3,24,794	10.54	1,77,690	1,45,514	3,23,204	10.49	(0.05)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,22,241	-	1,22,241	3.97	1,27,438	-	1,27,438	4.14	0.17
c) Others (specify)									
i) Clearing Members	1169	-	1169	0.04	10	-	10	0.0003	(0.04)
ii) Non Resident Indians	-	1,240	1,240	0.04	-	1,240	1,240	0.04	-
iii) Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	12,97,970	2,23,448	15,21,418	49.38	13,00,512	2,20,906	15,21,418	49.38	-
Total Public Shareholding (B)=(B) (1)+(B)(2)	12,97,970	2,23,448	15,21,418	49.38	13,00,512	2,20,906	15,21,418	49.38	-
C. Shares held by Custodian For GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	28,57,847	2,23,448	30,81,295	100.00	28,60,389	2,20,906	30,81,295	100.00	-

(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	-	-
Total		15,59,877	50.62	-	15,59,877	50.62	-	-

(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 2017-18					

(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	SANKALP GRANITES PRIVATE LIMITED				
	At the beginning of the year	3,23,169	10.49	3,23,169	10.49
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	3,23,169	10.49
2	SIGO POLYMERS PRIVATE LIMITED				
	At the beginning of the year	1,82,714	5.93	1,82,714	5.93
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	1,82,714	5.93
3	MARATHA PETROCHEMICAL PRIVATE LIMITED				
	At the beginning of the year	1,80,854	5.87	1,80,854	5.87
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	1,80,854	5.87
4	TAKMIN TRADING PRIVATE LIMITED				
	At the beginning of the year	1,45,000	4.71	1,45,000	4.71
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	1,45,000	4.71
5	AUGUST TRADING PRIVATE LIMITED				
	At the beginning of the year	1,36,264	4.43	1,36,264	4.43
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	1,36,264	4.43
6	RAJ KUMAR SETHIA				
	At the beginning of the year	85,137	2.76	85,137	2.76
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	85,137	2.76
7	RIDAM POLYMERS PRIVATE LIMITED				
	At the beginning of the year	86,422	2.80	86,422	2.80
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	86,422	2.80
8	PRITTY DEVI SARAWAGI				
	At the beginning of the year	25,952	0.84	25,952	0.84
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	25,952	0.84
9	SANJAY HARIKISHAN				
	At the beginning of the year	11,152	0.36	11,152	0.36
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	11,152	0.36
10	Rakesh Mittal				
	At the beginning of the year	6,138	0.20	6,138	0.20
	There is no change during the financial year 2017-18.				
	At the end of the year	-	-	6,138	0.20

(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
		There is no change during the financial year 2017-18.			
		At the end of the year	82,338	2.67	82,338
2	Bharat Kumar Baid, Managing Director & CEO	At the beginning of the year	95,048	3.08	95,048
		There is no change during the financial year 2017-18.			
		At the end of the year	95,048	3.08	95,048
3	Vikram Baid, Wholetime Director & CFO	At the beginning of the year	76,076	2.47	76,076
		There is no change during the financial year 2017-18.			
		At the end of the year	76,076	2.47	76,076

Note: The following director and KMP did not held any shares during the financial year 2017-18:

- | | |
|----------------------|-----------------------|
| 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
Indebtedness at the beginning of the financial year				
(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	-	-	-	-
Total (i+ii+iii)	2,97,04,492	62,13,041	-	3,59,17,533
Change in Indebtedness during the financial year				
Addition	75,18,200	-	-	-
Reduction	-	(22,13,041)	-	-
Net Change	75,18,200	(22,13,041)	-	53,05,159
Indebtedness at the end of the financial year				
(i) Principal Amount	3,72,22,692	40,00,000	-	4,12,22,692
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,72,22,692	40,00,000	-	4,12,22,692

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	24,60,000	23,40,000	48,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,31,100	28,800	4,59,900
	(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)	5,17,200	4,90,800	10,08,000
	Total (A)	34,08,300	28,59,600	62,67,900
	Ceiling as per the Act (Schedule V, Part-II, Section-II)	84,00,000 (being applicable limit of remuneration payable as per Section II of Part II of Schedule V of Companies Act, 2013)		

B. Remuneration to other Directors:

1. Independent Directors					Total Amount	
Sr. No.	Particulars of Remuneration	Name of Directors				
		Mrs. Anima Bordia	Mr. Niraj Nahata	Mr. Pawan Nahata		
	· Fee for attending board/ committee meetings	-	-	-	-	
	· Commission	-	-	-	-	
	· Others, please specify	-	-	-	-	
	Total (1)	-	-	-	-	

2. Other Non - Executive Directors

Name of Director			
Sr. No.	Particulars of Remuneration	Mr. Bhanwar Lal Baid	Total Amount
	· Fee for attending board / committee meetings	-	-
	· Commission	-	-
	· Others, please specify	-	-
	Total (2)	-	-
Total (B) = (B)(1)+(B)(2)			
Total Managerial Remuneration			
	Overall Ceiling as per the Act	-	

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	3,24,000	3,24,000
	(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
	Total	3,54,000	3,54,000

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)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

PLACE: JAIPUR
DATE: 03.09.2018

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

**BHARAT KUMAR BAID
MANAGING DIRECTOR
DIN : 00212506**

**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 2017-18:

1. Steps taken or impact on conservation 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)

- Details of technology imported: The Company has not imported any technology during the last three financial years.
- The year of import: Not Applicable
- Whether the technology has been fully absorbed: Not Applicable
- 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: 03.09.2018

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

**BHARAT KUMAR BAID
MANAGING DIRECTOR
DIN : 00212506**

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

Annexure 4
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 (a)	Nature of Contracts / Arrangements/ Transactions (b)	Duration of Contracts/ Arrangements/ Transactions (c)	Salient features of Contracts/ Arrangements/ Transactions, Including value, if any (d)	Justification for entering into such contracts or arrangements Or transactions (e)	Date(s) of approval by the Board (f)	Amount paid as advances, if any (g)	Date on which special Resolution passed in general meeting as required under first proviso to Section 188 (h)
N/A							

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

Related Party and Nature of Relationship (a)	Nature of Contracts / Arrangements/ Transactions (b)	Duration of Contracts/ Arrangements/ Transactions (c)	Salient features of Contracts/ Arrangements/ Transactions, including value, if any (d)	Date of approval by the Board / Audit Committee (e)	Amount paid as advances, if any (f)
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	30.05.2017	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	30.05.2017	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	30.05.2017	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 Amount of Invoice raised by Jai Sinter Polycon Private Limited	30.05.2017	Nil

PLACE: JAIPUR
DATE: 03.09.2018

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

**BHARAT KUMAR BAID
MANAGING DIRECTOR
DIN : 00212506**

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

Annexure 5

Particulars of Employees

(a) Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information as per the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended:

(Amount in Lakhs)

A. Remuneration paid to Whole Time Director/Managing Director				
Name of Director	Remuneration in FY 2017-18	Remuneration in FY 2016-17	% Inc./(Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Vikram Baid	28.60	25.61	11.68%	32.42
Mr. Bharat Kumar Baid	34.08	30.69	11.05%	38.64

B. Remuneration paid to KMPs				
Name of KMP	Remuneration in FY 2017-18	Remuneration in FY 2016-17	% Inc./(Dec) in Remuneration	Ratio to Remuneration to MRE
Mr. Vikram Baid, CFO	Nil	Nil	0.00	0.00
Miss Rashmi Agarwal, CS	3.54	3.30	7.27%	4.01

- C. The median remuneration of employees was Rs. 88,200 in financial year 2017-18 and Rs. 96,000 in financial year 2016-17. There was decrease in MRE in financial year 2017-18 of 8.13% as compared to financial year 2016-17.
- D. Number of permanent employees on the rolls of Company was 39 employees as on 31st March, 2018.
- E. The aggregate remuneration of the non-managerial employees was Rs. 112.89 Lakhs in financial year 2017-18 and Rs. 108.78 Lakhs in financial year 2016-17. The remuneration of non-managerial employees was increased by 3.78% whereas the remuneration of managerial personnel was increased by 10%. 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, 2018 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 2017-18 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 Kumar Baid	Managing Director	3408300	B.Com. FCA	46	*31-12-09	68	Polycon International Limited
Vikram Baid	Whole Time Director & CFO	2859600	B.Com. (Hons.), ACA	17	*31-12-09	42	Polycon International Limited
Madhuao Rao Patil	Plant Engineer	475200	BA	16	*31-12-09	49	Polycon International Limited
Madhumati Patil	Junior Manager	366000	Diploma (Comp)	11	01-09-11	47	-
Rashmi Agarwal	Company Secretary & Compliance Officer	354000	B. Com, ACS	3	10-04-15	26	-
K.Magesh	Engineer	336000	Diploma Engineer (Electrical)	8	01-07-11	33	-
Shiv Nand B Biradar	Engineer	312000	Metric	5	01-07-14	39	-
S. Mohan Raj	Engineer	288000	ITI	5	01-08-12	29	-
Mekchuin Doley	Engineer	270000	12 th	6	01-07-11	35	-
Lalit Kumar	Engineer	246000	11 th	3	01-07-14	33	-

*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.

PLACE: JAIPUR
DATE: 03.09.2018

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

**BHARAT KUMAR BAID
MANAGING DIRECTOR
DIN : 00212506**

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Vinayak Polycon International Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Vinayak Polycon International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central [39]

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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, 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 standalone Ind AS 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, 2018.

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

**Place : JAIPUR
Date : 30-05-2018**

**ASHOK KUMAR NATANI
PARTNER
Membership No. 074692**

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

To the Members of Vinayak Polycon International Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All 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 / fixed assets 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 regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, GST, 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, GST, 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) According to information and explanations given to us by the management and based on our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (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, reporting requirements under clause 3 (xiv) are not applicable to the Company and, 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**

Place : JAIPUR
Date : 30-05-2018

**ASHOK KUMAR NATANI
PARTNER
Membership No. 074692**

ANNEXURE 2 referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Ind AS Financial Statements of Vinayak Polycon 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 Polycon International Limited

We have audited the internal financial controls over financial reporting of Vinayak Polycon International Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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, 2018, 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 31st March, 2018, 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, 2018 expressed an unqualified opinion thereon.

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

**Place : JAIPUR
Date : 30-05-2018**

**ASHOK KUMAR NATANI
PARTNER
Membership No. 074692**

VINAYAK POLYCON INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31ST MARCH 2018

(Amount In Lakhs)

Particulars	Note No.	As at 31 March, 2018 (After Ind AS Adjustments)	As at 31 March, 2017 (After Ind AS Adjustments)	As at 1 April, 2016 (After Ind AS Adjustments)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2A	474.97	526.13	389.30
(b) Capital work-in-progress	2B	435.55	490.35	362.65
(b) Financial Assets		-	-	-
(i) Other Financial Assets	3	33.06	28.78	26.65
(d) Other Non-Current Assets	4	6.36	7.00	-
Current assets				
(a) Inventories	5	662.26	557.29	443.42
(b) Financial Assets		103.25	66.52	90.55
(i) Trade Receivables	6	531.15	443.69	288.47
(ii) Cash and Cash Equivalents	7	6.33	1.64	8.02
(iii) Others Financial Assets	8	3.07	19.15	5.94
(c) Current Tax Assets (Net)	9	2.90	2.41	0.10
(d) Other Current Assets	10	15.56	23.88	50.34
Total Assets		1,137.23	1,083.42	832.72
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	11	409.16	397.93	387.70
(b) Other Equity	12	308.13	308.13	308.13
(b) Other Equity	12	101.03	89.80	79.57
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	168.42	227.84	112.55
(b) Deferred Tax Liabilities (Net)	14	139.06	196.63	95.49
(c) Provisions	15	14.11	23.47	17.06
(c) Provisions	15	15.25	7.74	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	559.65	457.65	332.47
(ii) Trade Payables	17	532.77	447.43	324.27
(iii) Other Financial Liabilities	18	372.23	297.04	239.60
(b) Other Current Liabilities	19	137.68	130.18	17.46
(b) Other Current Liabilities	19	22.86	20.21	67.21
(b) Other Current Liabilities	19	26.88	10.22	8.20
Total Equity and Liabilities		1,137.23	1,083.42	832.72

Significant accounting policies & Notes to Standalone Financial Statements 1 to 43

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

CA Ashok Kumar Natani
Partner
Membership No. 074692

Bhanwar Lal Baid
DIN:00212003
Chairman

Bharat Kumar Baid
DIN:00212506
Managing Director

Vikram Baid
DIN:00217347
Executive Director
and CFO

Rashmi Agarwal
Company
Secretary

Place : Jaipur
Date : 30.05.2018

VINAYAK POLYCON INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount In Lakhs)

PARTICULARS	Note	For the Year Ended	For the Year Ended
		31.03.2018 (As per Ind AS)	31.03.2017 (As per Ind AS)
REVENUE			
Revenue From Operations	20	1,892.98	2,066.40
Other Income	21	1.52	1.25
Total Income		1,894.50	2,067.65
EXPENSES			
Cost of Material Consumed	22	1,219.73	1,376.48
Changes in inventory of finished goods	23	2.39	1.08
Employee benefits expense	24	185.01	169.28
Finance costs	25	37.61	45.57
Depreciation and amortization expense	2A	86.19	105.71
Other expenses	26	358.54	348.97
Total expenses		1,889.47	2,047.09
Profit/(loss) before exceptional items and tax		5.03	20.56
Exceptional Items		-	-
Profit/(loss) before tax		5.03	20.56
Tax expense:			
(1) Current tax	27	3.18	3.92
(2) Deferred tax	27	-9.37	6.41
Profit (Loss) for the period from continuing operations		11.22	10.23
Profit/(loss) for the period		11.22	10.23
Total Comprehensive Income for the period (Comprising Profit(Loss) and Other Comprehensive Income for the period)		11.22	10.23
Earnings per equity share (After exceptional items)			
Basic	28	0.36	0.33
Diluted	28	0.36	0.33

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

For and on behalf of the Board of Directors

CA Ashok Kumar Natani
Partner
Membership No. 074692

Bhanwar Lal Baid
DIN:00212003
Chairman

Bharat Kumar Baid
DIN:00212506
Managing Director

Vikram Baid
DIN:00217347
Executive Director
and CFO

Rashmi Agarwal
Company
Secretary

Place : Jaipur
Date : 30.05.2018

VINAYAK POLYCON INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

A. Equity Share Capital

(Amount in Lakhs)

Balance as at April 1, 2016	308.13
Changes in Equity Share Capital during the year	0
Balance as at March 31, 2017	308.13
Changes in Equity Share Capital during the year	0
Balance as at March 31, 2018	308.13

B. Other Equity

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	TOTAL
Balance as at April 1, 2016	30.40	49.17	79.57
Profit for the year	0.00	10.23	10.23
Reversal of Gain on Fair Valuation of Forward Contract for 01.04.2017	0.00	0.00	0.00
Reversal Of DTA	0.00	0.00	0.00
Balance as at March 31, 2017	30.40	59.40	89.80
Balance as at April 1, 2017	30.40	59.40	89.80
Profit for the year	0.00	11.22	11.22
Reversal of Gain on Fair Valuation of Forward Contract for 01.04.2017	0.00	0.00	0.00
Reversal Of DTA	0.00	0.00	0.00
Balance as at March 31, 2018	30.40	70.63	101.03

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

For and on behalf of the Board of Directors

CA Ashok Kumar Natani
Partner
Membership No. 074692

Bhanwar Lal Baid
DIN:00212003
Chairman

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Managing Director

Vikram Baid
DIN:00217347
Executive Director
and CFO

Rashmi Agarwal
Company
Secretary

Place : Jaipur
Date : 30.05.2018

VINAYAK POLYCON INTERNATIONAL LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Lakhs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	2017-18	2016-17
	AMOUNT	AMOUNT
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before exceptional and tax as Statement Profit & Loss (Increase in Reserves)	5.03	20.56
<u>Adjusted for :-</u>		
Finance Cost	37.61	45.57
Interest received	-1.52	-1.25
ERP Written Off	-	-
Rent Income	-	-
Loss/(Profit) on Sale/written off of Fixed Assets	-	-
Withdrawl from capital reserve	-	-
Depreciation	86.19	105.71
Operating Profit before Working Capital Changes	127.31	170.59
<u>Adjusted for:-</u>		
Increase / (Decrease) in Trade Payables	7.50	112.72
Increase / (Decrease) in Other financial liabilities	2.65	-47.00
Increase / (Decrease) in Other current liabilities	16.66	2.01
Increase / (Decrease) in Provisions (except IT)	7.52	7.74
(Increase)/Decrease in Current Tax Assets (Net)	-0.49	-2.31
(Increase)/Decrease in Inventory	-36.72	24.03
(Increase)/Decrease in Trade receivables	-87.46	-155.21
(Increase)/Decrease in Others current financial assets	11.80	-15.34
(Increase)/Decrease in Other current assets	8.96	19.46
Cash Generated From Operations	57.73	116.69
Net Cash used in Operating Activities Before Extraordinary Items	57.73	116.69
Less:- Extraordinary Items	-	-
Cash Generated From Operations	57.73	116.69
Less:- Taxes Paid	-3.18	-3.92
Net Cash Flow/(used)From Operating Activites	54.54	112.77
B) CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) / Decrease in Long Term Loans & Advances		
Purchase of Fixed Assets	-31.38	-233.41
(Increase)/decrease to CWIP	-	-
Proceeds From Sales/written off of Fixed Assets	-	-
Interest received	1.52	1.25
Rent Income	-	-
Net Cash Flow/(used) in Investing Activities	-29.86	-232.16
C) CASH FLOW FROM FINANCING ACTIVITIES		
Procurement of Borrowings	-57.57	101.14
Repayment of Borrowings	-	-
Net Increase/Decrease in Working Capital Borrowings	75.19	57.44
Interest paid	-37.61	-45.57
Net Cash Flow/(used) From Financing Activities	-19.99	113.01
Net Increase/(Decrease) in Cash and Cash Equivalent	4.69	-6.38
Opening balance of Cash and Cash Equivalent	1.64	8.02
Closing balance of Cash and Cash Equivalent	6.33	1.64

1 Cash Flow has been prepared under indirect method as set out in Ind AS-7

2 Previous Year's figures have been recasted/regrouped, wherever necessary, to confirm to the current years' figures

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

For and on behalf of the Board of Directors

CA Ashok Kumar Natani
Partner
Membership No. 074692

Bhanwar Lal Baid
DIN:00212003
Chairman

Bharat Kumar Baid
DIN:00212506
Managing Director

Vikram Baid
DIN:00217347
Executive Director
and CFO

Rashmi Agarwal
Company
Secretary

Place : Jaipur
Date : 30.05.2018

VINAYAK POLYCON INTERNATIONAL LIMITED

Notes forming part of the Financial Statements

as at and for the year ended 31st March, 2018

Note 1 - General information and Significant Accounting Policies

Note 1.1 - Background

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

Presently the Company is engaged in the business of manufacuturing 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 1.2 - Significant Accounting Policies

I Basis of preparation and presentation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules,2016 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

(ii) Historical cost convention

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

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

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

II Use of estimates, assumption and judgement

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- (i) **Useful lives and residual value of property, plant and equipment, intangible assets and investment properties :** Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc and same is reviewed at each financial year end.
- (ii) **Deferred tax assets :** The Company has reviewed the carrying amount of deferred tax assets including MAT credit at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- (iii) **Contingencies :** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- (iv) **Employee benefit expenses :** Actuarial valuation for gratuity liability of the Company has been done by an independent actuarial valuer on the basis of data provided by the management and assumptions used by the actuary. The data so provided and the assumptions used have been disclosed in the notes to accounts.
- (v) **Discounting of Security deposit, and other long term liabilities :** For majority of the security deposits received, the timing of outflow, as mentioned in the underlying contracts, is not ascertainable or is not substantially long enough to discount. The treatment would not provide any meaningful information and would have no material impact on the financial statements.

III Property, Plant and Equipment

- i. The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2017 measured as per the previous GAAP. Cost is inclusive of inward freight, non refundable duties and taxes and incidental expenses related to acquisition or construction.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning.

- ii. **Capital work-in-progress** : Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses.

IV Depreciation / amortisation

- i. The Company is following the written down value method of depreciation in respect of Property, plant and equipment.
- ii. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a written down value basis.
- iii. Freehold Land is not depreciated.
- iv. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

V Leases

Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the Company's benefit. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Financial lease transactions entered are considered as financial arrangements and the leased assets are capitalised on an amount equal to the present value of future lease payments and corresponding amount is recognised as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

VI Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

VII Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Finished Goods and Work in Progress: Cost includes cost of direct materials and labour and a proportion of fixed manufacturing overheads based on the normal operating capacity. Cost is determined on first in first out basis.

Traded Goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

VIII Financial Instruments

A. Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

B. Subsequent measurement

- (i) **Financial assets carried at amortised cost :** A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- (ii) **Financial assets carried at fair value through other comprehensive income (FVTOCI):** A financial asset is subsequently measured at FVTOCI if it is held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (iii) **Financial assets carried at fair value through profit or loss (FVTPL):** A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.
- (iv) **Financial liabilities :** Financial liabilities are subsequently measured at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial asset

A financial asset is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the

asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as "Other Income" or "Finance Expense".

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

C. Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

Individual trade receivables are written off when management deems them not to be collectible.

(ii) Non - financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

IX Segment Reporting

Factors used to identify segments

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

The Company is engaged in manufacture and sale of PET and other plastic products which constitutes a single business segment.

X Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

XI Contingent liabilities and provisions

Contingent liabilities are disclosed after evaluation of the facts and legal aspects of the matter involved, in line with the provisions of IndAS 37.

The company records a liability for any claims where a potential loss probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosures in the financial statements but does not record a liability in its financial statements unless the loss becomes probable.

Provisions are recognised when the Company has a legal / constructive obligation as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

XII Revenue recognition

Sale of goods : Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, which generally coincides when the products are dispatched / shipped, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods nor it exercises effective control over the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates. Sales includes excise duty but excludes sales tax / value added tax/ goods and service tax.

Income from services : Revenue from sale of services are recognised when services are rendered and related costs are incurred.

Other income : Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition. Rent income is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Rent income is accrued as per terms of contracts.

XIII Employee Benefits

The Company has various schemes of employee benefits such as provident fund, employee state insurance scheme, gratuity and compensated absences, which are dealt with as under:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes: (a) defined benefit plans such as gratuity; and (b) defined contribution plans such as provident fund and Family pension funds.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

Liability on account of short term employee benefits, comprising largely of compensated absences and bonus, is recognised on an undiscounted accrual basis during the period when the employee renders service.

XIV Foreign Currency Transactions

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

XV Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets are realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to

items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XVI Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XVII Operating Cycle

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

XVIII Government Grants

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

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

XIX Statement of cash flows

Cash flows are reported using the method as prescribed in Ind AS 7 'Statement of Cash flows', where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XX Investments

Investments, if any, are to be valued at fair value.

Note 2 (A) Property, Plant & Equipment

Property, Plant & Equipment									Amount in Lakhs		
Particulars		Freehold Land	Factory Building	Plant and Machinery	Electric Installation	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Moulds & Dies	Total
Gross Carrying Amount											
As at April 1, 2016		13.83	132.65	581.15 161.26	29.91	3.46	6.68	21.61	7.80	262.73 72.14	1,059.82 233.40
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-
PTD Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017		13.83	132.65	742.41	29.91	3.46	6.68	21.61	7.80	334.87	1,293.22
Additions				0.12						31.27	31.39
Disposals											-
As at March 31, 2018		13.83	132.65	742.53	29.91	3.46	6.68	21.61	7.80	366.14	1,324.61
Accumulated Depreciation											
As at April 1, 2016		73.35 5.57	358.18 64.28	20.76 1.84	3.22 0.04	5.42 0.40	17.69 1.31	6.36 0.78	212.19 31.48	697.17 105.71	-
Additions											-
Disposals											-
As at March 31, 2017		78.92	422.46	22.60	3.26	5.82	19.00	7.14	243.67	802.87	
Additions		5.05	61.57	1.47	0.02	0.23	0.72	0.23	16.90	86.19	-
Disposals											-
As at March 31, 2018		83.97	484.03	24.07	3.28	6.05	19.72	7.37	260.57	889.06	
Net carrying amount											
As at 01.04.2016		13.83	59.30	222.97	9.15	0.24	1.26	3.92	1.44	50.54	362.65
As at 31.03.2017		13.83	53.73	319.95	7.31	0.20	0.86	2.61	0.66	91.20	490.35
As at 31.03.2018		13.83	48.68	258.50	5.84	0.18	0.63	1.89	0.43	105.57	435.55

**Note 2 (B)
CAPITAL WORK IN PROGRESS**

Particulars	As at April 1, 2016	As at March 31, 2017	As at March 31, 2018
	-	-	-
	-	-	-
	-	-	-

Note 3 Other Non-Current Financial Assets
(Amount in Lakhs)

Particulars	As at 31 March 2018 (after Ind AS Adjustments)	As at March 31,2017 (after Ind AS Adjustments)	As at April 1, 2016(after Ind AS Adjustments)
1 Advance to employees	2.02	2.02	-
2 Security Deposits	31.04	26.76	26.65
TOTAL	33.06	28.78	26.65

Note 4 Other Non-Current Assets

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Advances against Goods supply/ Expenses	6.36	7.00	-
TOTAL	6.36	7.00	-

Note 5 Inventories

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Raw Material	62.46	35.39	58.33
2 Stores, Spares and Consumables	2.73	1.19	1.20
3 Packing Material	10.51	-	-
4 Finished Goods	27.55	29.94	31.02
TOTAL	103.25	66.52	90.55

Note 6 Trade Receivables

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Unsecured, considered good (Unless otherwise stated) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	73.76	66.14	67.25
2 Other Trade Receivables	457.39	377.55	221.22
Total Trade Receivables	531.15	443.69	288.47

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Refer to Note No. 35 for information about credit risk and market risk of trade receivables.

Note 7 Cash and Cash Equivalents

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Cash on Hand	1.49	1.47	7.92
2 Bank Balances	4.84	0.17	0.10
TOTAL	6.33	1.64	8.02

Note 8 Others Current Financial Assets
(Amount in Lakhs)

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Insurance Claim Receivable	-	18.60	-
2 Advance to employees	3.07	0.55	5.94
TOTAL	3.07	19.15	5.94

Refer Note No 35 for information about credit risk and market risk for loans.

Note 9 Current Tax Assets (Net)

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Advance Tax	6.08	6.33	9.38
Less: MAT Credit Entitlement	-	-	-
Less: Provision for Income Tax	-3.18	-3.92	-9.28
TOTAL	2.90	2.41	0.10

Note 10 Other Current Assets

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Prepaid Expenses	3.61	2.62	2.57
2 Balance with Excise/Sales Tax/Service Tax	6.01	19.58	9.41
3 Advances against Goods supply/ Expenses	5.94	1.67	21.74
4 Advance against Capital Goods	-	0.01	16.62
TOTAL	15.56	23.88	50.34

Note 11 Equity Share Capital

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Share Capital			
1 Authorised :			
32,50,000 (32,50,000) Equity Shares of Rs.10/- each	325.00	325.00	325.00
2 Issued, Subscribed and fully paid up			
30,81,295 (30,81,295) Equity shares of Rs.10/- each	308.13	308.13	308.13
TOTAL	308.13	308.13	308.13

(a) Rights, Preferences and restrictions 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.

(Amount in Lakhs)

(b) Reconciliation of the number of shares outstanding :-

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	No of shares	Amount	No of shares	Amount
At the beginning of the year	30,81,295	308.13	30,81,295	308.13
Add: Issued during the year	-	-	-	-
Less: Bought Back during the year	-	-	-	-
At the end of the year	30,81,295	308.13	30,81,295	308.13

(c) Shares held by each shareholder holding more than 5% of number of shares:

Name of Shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Jai Shinter Polycon Private Limited	354950	11.52%	354950	11.52%	354950	11.52%
Sankalp Granites Private Limited	323169	10.49%	323169	10.49%	323169	10.49%
SIGO Polymers (P) Ltd	182714	5.93%	182714	5.93%	182714	5.93%
Maratha Petrochemicals (P) Ltd	180854	5.87%	180854	5.87%	180854	5.87%
Bharat Kumar Baid(H)	167134	5.42%	167134	5.42%	167134	5.42%
	1208821	39.23%	1208821	39.23%	1208821	39.23%

The Company has neither 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 12 Other Equity

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
<u>Reserves and Surplus</u>			
1 General Reserve			
At the beginning of the year	30.40	30.40	30.40
Add: Additions during the year	-	-	-
Less: withdrawals/transfer	-	-	-
Balance at the year end	30.40	30.40	30.40
2 Surplus			
At the beginning of the year	59.40	49.17	36.40
Add: Profit for the Year	11.22	10.23	12.77
Balance at the year end	70.63	59.40	49.17
TOTAL	101.03	89.80	79.57

Note 13 Non Current Financial Borrowings

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Term Loan Secured From Bank I.O.B	-	-	46.86

(Amount in Lakhs)
UNSECURED

Loan from Kalyan Vyapar Pvt. Ltd.	40.00	62.13	-
Others	-	37.49	-
Balance due to Demerger from Polycon International Limited	95.49	95.49	95.49
Creditors for Capital Goods-CMP Industries	1.23	1.23	-
Creditors for Expenses	0.62	0.29	-
Trade Creditors	1.72	-	-
TOTAL	139.06	196.63	142.35
Less : Current maturities of long term borrowings	-	-	46.86
TOTAL	139.06	196.63	95.49

Refer Note No 35 for information about credit risk and market risk for loans.

Note 14 Deferred tax liabilities (Net)

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
1 Deferred tax liabilities (Net)	14.11	23.47	17.06
TOTAL	14.11	23.47	17.06

Note 15 Provisions

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Provision for Gratuity	15.25	7.74	-
TOTAL	15.25	7.74	-

Note 16 Current Borrowings

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Loan payable on demand from Banks :			
Secured			
1 I.O.B			
a. Cash Credit Account	-	297.04	239.60
2 Bank of Baroda			
a. Cash Credit Account	372.23	-	-
TOTAL	372.23	297.04	239.60

Cash Credit facilities from Bank of Baroda 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 @9% p.a. on monthly rest.

Refer Note No 35 for information about credit risk and market risk for loans.

Note 17 Trade Payables

Particulars	As at 31 March 2018	As at March 31,2017	As at April 1, 2016
Sundry Creditors for goods, services and expenses	137.68	130.18	17.46
TOTAL	137.68	130.18	17.46

*The Company has not received any intimation from any of its suppliers about their having filed a memorandum in pursuance of Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure requirement u/s 22 of MSMED Act, 2006 is not applicable to the Company.

Note 18 Other Current Financial Liabilities
(Amount in Lakhs)

Particulars	As at 31 March 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term borrowings	-	-	46.86
Payable on account of Capital Goods	1.20	1.62	1.38
Provision for Expenses	15.44	12.33	13.98
Provision for Labour Wage	3.05	3.48	3.20
Provision for Staff Salary	3.17	2.78	1.79
TOTAL	22.86	20.21	67.21

Note 19 Other Current Liabilities

Particulars	As at 31 March 2018	As at March 31, 2017	As at April 1, 2016
Statutory Liabilities:			
TDS Payables	1.70	2.44	2.38
VAT	-	4.37	3.94
CST	-	2.19	0.69
CENVAT	-	-	0.00
CGST Payable	6.55	-	-
SGST Payable	6.55	-	-
IGST Payable	2.55	-	-
PF Payable	1.35	1.22	1.19
Advance from Customers	8.18	-	-
TOTAL	26.88	10.22	8.20

Refer Note No 35 for Financial Risk Management.

Note 20 Revenue From Operations

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Sale of products		
Finished Goods	1,814.78	1,772.75
Add: Excise Duty	78.20	293.65
TOTAL	1,892.98	2,066.40

Goods and Service Tax (GST) has been effected from 1st July, 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until 30th June, 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from 1st July, 2017 "Sale of products" excludes the amount of GST recovered. Accordingly revenue from sale of products for the year ended 31st March, 2018 is not comparable with that of the previous year.

Note 21 Other Income

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
(a) Interest		
Interest Received	1.52	1.25
Interest on Income Tax Refund	1.38	1.25
Excess Provision for Income tax	0.14	-
	0.00	-

		(Amount in Lakhs)	
(b) Miscellaneous Receipt		-	-
TOTAL		1.52	1.25

Note 22 Cost of Material Consumed

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A Raw Material Consumed		
Raw Material		
Opening Stock	35.39	58.33
Add: Purchases	1,120.98	1,003.20
	1,156.37	1,061.53
Less: Closing Stock	62.46	35.39
	1,093.91	1,026.14
B Packing Material	47.62	56.69
C Excise Duty	78.20	293.65
	1,219.73	1,376.48

Note 23 Changes in inventories of Finished Goods

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Finished Goods at the beginning of the year	29.94	31.02
Finished Goods at the end of the year	27.55	29.94
INCREASE/(DECREASE)	2.39	1.08

Note 24 Employee benefits expense

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, Wages and Incentive	168.75	159.00
Contribution to Provident and Other Funds	8.87	8.04
Staff welfare Expenses	7.39	2.24
TOTAL	185.01	169.28

Note 25 Finance Costs

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest Expenses	34.91	42.70
Other Borrowing Costs	2.70	2.87
TOTAL	37.61	45.57

Note 26 Other expenses

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of Stores and Spare Parts	11.05	38.28
Electricity and Fuel Charges	179.75	175.82
Payment to Auditors as Auditors- Statutory Audit	0.25	0.25
Repair and Maintenance		
Plant and Machinery	4.77	8.77
Building	1.35	0.82
Moulds	0.08	7.20
Others	1.31	3.59

	(Amount in Lakhs)	
Tour and Travelling		
Domestic	11.50	8.59
Foreign	0.89	
Postage, Telegraph and Telephone	1.77	3.54
Insurance	2.97	3.38
Legal Expenses and Professional Fees	3.88	5.22
Conveyance and Vehichle and Maintenance	0.55	0.92
Preliminary Expenses written off	-	-
Rates and Taxes	0.91	0.35
Government Dues and Fee	0.53	-
Job Work Paid	0.47	-
Service Tax on Transport	0.74	3.10
Advertisement Expenses	0.53	0.45
Transportation, Handling and Octroi(net)	75.93	27.74
Rent	10.65	10.26
Machine Rent	10.00	-
Factory Rent	20.03	30.15
Loss by Cyclone	2.92	-
Gratuity	-	7.74
Income Tax Expenses	7.52	0.01
Freight and cartage Expenses	5.36	11.61
Miscellaneous Expenses	2.83	1.18
TOTAL	358.54	348.97

Note 27 Tax Expenses
Tax expense recognized in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax on taxable income for the year		
(Net of MAT Credit)	3.18	3.92
Total Current Tax expense	3.18	3.92
Deferred Tax		
Deferred Tax charge/(credit)	-9.37	6.41
Total Deferred Income Tax expense/(benefit)	(9.37)	6.41
Tax in respect of earlier years	-	-
Total income tax expense	(6.19)	10.33

Note 28 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Issued number equity shares	30,81,295	30,81,295
Potential Equity Shares	-	-
Weighted average shares outstanding -		
Basic and Diluted	30,81,295	30,81,295

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(Amount in Lakhs)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit and loss after tax	11.22	10.23
Profit and loss after tax for EPS	11.22	10.23
Basic Earnings per share	0.36	0.33
Diluted Earnings per share	0.36	0.33

The number of shares used in computing basic EPS is the weighted average of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS because there were no potential equity shares.

Note 29 EXEMPTIONS CLAIMED

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2016. Ind AS 101 First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first time adopters certain exemptions from the retrospective application of certain Ind AS, effective for 1st April, 2016 opening balance sheet.

A. Following exemptions have been availed from other Ind AS as per Appendix D of Ind AS 101:

- a Deemed cost for Property, Plant and Equipment (PPE) – Since there is no change in its functional currency on the date of transition to Ind ASs, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the Standalone financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B. Applicable Mandatory Exceptions

- (a) Estimates an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.
- (b) Classification and measurement of financial assets as required under Ind AS 101 the company has assessed the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date)

II. A. Reconciliation of Balance sheet as at 31st March, 2017

B. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

III. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017

Note 30 Related Party Transactions
(Amount in Lakhs)

In accordance with the requirements of Ind AS 24, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported as under:

(i) Related party name and relationship

Particulars	Designation
HMI Corporation	Relative of Director are Partner
Jai Sinter Polycon Pvt. Ltd.	Director Holds office of Profit
Crystal Packaging	Relative of Director are Partner
Mrs. Vinod Baid	Relative of Director
Mr. Bharat Kumar Baid	Key Management Personnel
Miss Rashmi Agarwal	Key Management Personnel
Mr. Vikram Baid	Key Management Personnel

(ii) Disclosure in respect of Material Transactions with Related parties during the year

Particulars	As at 31 March 2018	As at March 31, 2017	As at April 1, 2016
Sale of Goods			
Crystal Packaging	154.99	32.75	180.14
Receiving of Services			
Jai Sinter Polycon Pvt. Ltd.	31.21	24.10	23.22
Rent			
Mrs. Vinod Baid	8.58	8.58	8.58
Jai Sinter Polycon Pvt. Ltd.	30.02	30.15	30.00
Purchases of Stores & Items			
H.M.I. Corporation	-	-	13.29
Loans Given/Taken during the year			
Crystal Packaging	-37.48	37.48	-
Managerial Remuneration(As per Companies Act 2013)			
Mr. Bharat Kumar Baid	34.08	30.69	26.40
Miss Rashmi Agarwal	3.54	3.30	2.75
Mr. Vikram Baid	28.6	25.61	21.71

(iii) Disclosures with respect of Outstanding Balances of Related Parties

Nature of Transactions	Related Parties		
	As at 31 March 2018	As at March 31, 2017	As at April 1, 2016
Outstandings Payable			
For Expenses:			
Jai Sinter Polycon Pvt. Ltd.	33.74	26.92	2.48
Mrs. Vinod Baid	-	1.29	-
For Loan:			
Crystal Packaging	-	37.49	-
For Remuneration:			
Mr. Bharat Kumar Baid	11.86	5.10	0.21
Miss Rashmi Agarwal	0.27	-	-
Mr. Vikram Baid	11.76	5.36	0.65
For Advance from customer			
Crystal Packaging	0.84	-	-

Note 31 Reconciliation of Income Statement
(Amount in Lakhs)

Particulars	As at 31 March, 2017
Profit as per GAAP	10.23
Adjustments :	
Increase in Revenue from Operations due to adjustment of Excise Duty	293.65
Increase in Cost of Material Consumed due to adjustment of Excise Duty	-293.65
Deferred tax Assets/Liability as per Ind AS	-
Total adjustments	-
Profit as per Ind AS	10.23

Reconciliation of Equity

Particulars	Note No.	As at 31 March, 2017	As at 1 April, 2016
Total Equity under Previous GAAP	11	397.93	387.70
Total IND AS adjustments		-	-
Total Equity under Ind AS	11	397.93	387.70

Note 32 CONTINGENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(I) Contingent Liabilities			
Bank Guarantees	-	-	-
TOTAL	-	-	-

Note 33 CAPITAL COMMITMENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(I) Capital and Other Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for			
TOTAL	-	-	-

Note 34 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks i.e. Market Risk, Liquidity Risk and Credit Risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

A. Market risk
• Foreign Currency Risk:

There are no currency rate risk on the Company since all the transactions are done in the functional currency (INR) and the Company has not taken any loans or borrowings from the market in foreign currency.

• Interest Rate Risk:

The exposure of the Company's borrowing to interest rate charges at the end of the reporting period is on the amount of outstanding balance of cash credit facilities from Indian Overseas Bank/ Bank of Baroda.

The interest rates are linked to 1 year MCLR and are changed at the time of annual renewal. The rates will either increase or decrease depending on changes in RBI's and Bank's policies.

• Price Risk:

The Company faces price risk due to change in price of Raw Materials from time to time. To shield itself from them, all sales contracts and orders are variable to changes in prices from time to time. They are based on the price of raw materials at the beginning of each month or weighted average price of last 3 months.

B. Liquidity Risk

• Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash requirements.

C. Credit risk

• Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.

• Assets are written off when there is no reasonable expectation of recovery. The Company write offs debtors when they fail to make contractual payment greater than a reasonable limit post due.

• The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Trade and Other Receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 531.14 Lakhs, Rs. 443.68 Lakhs and Rs. 288.47 Lakhs as at 31st March, 2018, 31st March, 2017 and 1st April, 2016, respectively. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry. The Company monitors its exposure to credit risk on an ongoing basis at various levels. Outstanding customer receivables are regularly monitored.

Due to the geographical spread and the diversity of the Company's customers, the Company is not subject to any significant concentration of credit risks at balance sheet date.

Cash and Cash Equivalents and Bank Deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks across the country.

Cash Credit Facilities

Cash credits facilities from Bank of Baroda, Park Street Branch, Jaipur together with interest and other charges thereon, is secured by mortgage of company's land and building together with plant and machinery thereon both present and future and by way of a hypothecation charge over all movable assets including book debts, stock etc. of the company and secured by personal guarantee of three directors of the company. Cash credit is payable on demand and carries interest rate @ 9% p.a. on monthly rest.

Note 35 Fair Value Measurement
(Amount in Lakhs)

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at amortised cost						
Trade Receivables	531.15	-	443.69	-	288.47	-
Cash & Cash Equivalents	6.33	-	1.64	-	8.02	-
Other Financial Assets	36.13	-	47.93	-	32.59	-
Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through other comprehensive income						
	-	-	-	-	-	-
Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at fair value through profit and loss						
	-	-	-	-	-	-
Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost						
Borrowings (Non-Current and Current)	511.29	-	493.67	-	335.09	-
Trade Payables	137.68	-	130.18	-	17.46	-
Other Financial Liabilities	22.86	-	20.21	-	67.21	-
Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities designated at amortised cost at fair value through profit and loss						
	-	-	-	-	-	-

(i) Fair Value of Financial Assets and Liabilities

- The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets, short term borrowings and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

- Majorly the security deposits are redeemable on demand and hence the fair values of security deposits are approximately equivalent to the carrying amount.
- There is no material difference between carrying amount and fair value of non-current borrowings as on 31st March, 2018; 31st March, 2017 and 1st April, 2016.

(ii) Fair Value Hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded debentures and mutual funds that have quoted price. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 36 CAPITAL RISK MANAGEMENT

Objective

The primary objective of the Company's capital management is to maximize the shareholder value. i.e. to provide maximum returns to the shareholders. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns to the shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017.

Policy

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the rules and regulations framed by the Government under whose control the Company operates.

Process

The Company manage its capital by maintaining sound/optimal capital structure financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. Debt-to-equity ratio as of March 31, 2018, March 31, 2017 and April 1, 2016 is as follows:

Particulars	As on 2018 31st March	As on 31st March 2017	As on 1st April 2016
Total debt	511.29	493.67	335.09
Total equity	409.16	397.93	387.70
Ratio	1.25	1.24	0.86

Note 37 FIRST TIME IND AS ADOPTION RECONCILIATIONS
(Amount in Lakhs)
Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

Particulars	Notes to First Time Adoption	As at 31 March, 2017 (Ind-AS)	Adjustments	As at 31 March, 2017 (IGAAP)	As at 1 April, 2016 (Ind-AS)	Adjustments	As at 1 April, 2016 (IGAAP)
ASSETS							
Non-Current Assets	526.13	-		526.13	389.30	-	389.30
(a) Property, Plant and Equipment	490.35			490.35	362.65		362.65
(b) Capital work-in-progress	-	-		-	-		-
(b) Financial Assets							
(i) Other Financial Assets	28.78			28.78	26.65		26.65
(d) Other Non-Current Assets	7.00	-		7.00	-		-
Current assets	557.29	-		557.29	443.42	-	443.42
(a) Inventories	66.52	-		66.52	90.55	-	90.55
(b) Financial Assets							
(i) Trade Receivables	443.69	-		443.69	288.47	-	288.47
(ii) Cash and Cash Equivalents	1.64	-		1.64	8.02	-	8.02
(iii) Others Financial Assets	19.15	-		19.15	5.94	-	5.94
(c) Current Tax Assets (Net)	2.41			2.41	0.10		0.10
(d) Other Current Assets	23.88	-		23.88	50.34	-	50.34
Total Assets	1,083.42	-		1,083.42	832.72	-	832.72
EQUITY AND LIABILITIES							
EQUITY	397.93	-		397.93	387.70	-	387.70
(a) Equity Share Capital	308.13	-		308.13	308.13	-	308.13
(b) Other Equity	89.80	-		89.80	79.57	-	79.57
LIABILITIES							
Non-current liabilities	227.84	-		227.84	112.55	-	112.55
(a) Financial Liabilities							
(i) Borrowings	196.63	-		196.63	95.49	-	95.49
(b) Deferred Tax Liabilities (Net)	23.47	-		23.47	17.06	-	17.06
(c) Provisions	7.74			7.74	-		-
Current liabilities	457.65	-		457.65	332.47	-	332.47
(a) Financial Liabilities	447.43	-		447.43	324.27	-	324.27
(i) Borrowings	297.04	-		297.04	239.60	-	239.60
(ii) Trade Payables	130.18	-		130.18	17.46	-	17.46
(iii) Other Financial Liabilities	20.21	-		20.21	67.21	-	67.21
(b) Other Current Liabilities	10.22	-		10.22	8.20	-	8.20
Total Equity and Liabilities	1,083.42	-		1,083.42	832.72	-	832.72

Note 38 FIRST TIME IND AS ADOPTION RECONCILIATIONS
Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Notes to First Time Adoption	For the year ended 31.03.2017 (As per Ind AS)	Adjustments	For the year ended 31.03.2017 (As per IGAAP)
I Revenue From Operations	1	2,066.40	293.65	1,772.75
II Other Income		1.25	-	1.25
III Total Income (I+II)		2,067.65	293.65	1,774.00
IV EXPENSES				
Cost of Material Consumed	1	1,376.48	293.65	1,082.83
Changes in inventory of finished goods		1.08	-	1.08
Employee benefits expense		169.28	-	169.28
Finance costs		45.57	-	45.57
Depreciation and amortization expense		105.71	-	105.71
Other expenses		348.97	-	348.97
Total expenses (IV)		2,047.09	293.65	1,753.44

			(Amount in Lakhs)
V	Profit/(loss) before exceptional items and tax (I- IV)	20.56	-
VI	Exceptional Items	-	-
VII	Profit/(loss) before tax (V-VI)	20.56	-
VIII	Tax expense:		
	(1) Current tax	3.92	3.92
	(2) Deferred tax	6.41	6.41
IX	Profit (Loss) for the period from continuing operations (VII-VIII)	10.23	-
X	Profit/(loss) for the period	10.23	-
XI	Total Comprehensive Income for the period (X+XI)(Comprising Profit(Loss) and Other Comprehensive Income for the period)	10.23	-
XII	Earnings per equity share (After exceptional items)		
	Basic	0.33	0.33
	Diluted	0.33	0.33

Note 39 Notes to First Time Ind AS Adoption:

Under IGAAP, revenue from sale of goods was presented net of excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016. The total comprehensive income for the year ended and equity as at 31 March 2016 has remained unchanged.

Particulars	For the year ended 31.03.2017 (As per IGAAP)	Adjustment of Excise Duty	For the year ended 31.03.2017 (As per Ind AS)
Revenue From Operations	1,772.75	293.65	2,066.40
Cost of Material Consumed	1,082.83	293.65	1,376.48

Note 40 TAX EXPENSE

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Current Tax	3.18	3.92
Deferred Tax		
Relating to origination & reversal of temporary differences	-9.37	6.41
Total tax expense	-6.19	10.33

Effective Tax Reconciliation

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Profit as per AS	5.03	20.56
Ind AS Adjustments (before tax)	0.00	0.00
Net Income before taxes	5.03	20.56
Applicable Tax Rate*	25.75%	19.055%
Computed Tax Expense	1.30	3.92

Increase/decrease in taxes on account of :	(Amount in Lakhs)	
Gratuity	1.94	
Depreciation as per Income Tax Act	-20.67	
Depreciation as per Companies Act	22.19	
Computed Income Tax Expense	4.76	3.92
Less: MAT Credit Entitlement	-1.58	
Income Tax Expense Reported	3.18	3.92

*Income Tax calculated @ 18.5% u/s 115JB

Deferred Tax Assets (Liabilities)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Deferred Tax Liability	0.00	0.00
	0.00	0.00
Deferred Tax Asset		
Property, Plant and Equipment	5.44	-6.41
Gratuity	3.93	
	9.37	-6.41
Net Deferred Tax Liability/(Asset) to be created for the Year	-9.37	6.41

Note 41 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

Particulars	As at March 31,2018	As at March 31,2017	As at April 1, 2016
Current Assets			
Financial Assets			
Floating Charge			
Cash & Cash Equivalents			
Receivables	531.15	443.69	288.47
Fixed Deposit lien by bank against term loan			
Short Term Loans & advances			
Non Financial Assets			
Floating Charge			
Inventories	103.25	66.52	90.55
Other Current Assets			
Total Current assets Pledged as security	634.39	510.21	379.02
Non Current Assets			
First Charge			
Land	13.83	13.83	13.83
Building	48.69	53.73	59.30
Furniture, fittings and equipment	0.63	0.86	1.25
Plant and Machinery including Store & Spares	258.5	319.95	222.97
Fixed Deposit lien by bank against term loan	-	-	-
Others	113.91	101.98	65.29
Total non-current assets Pledged as security	435.56	490.35	362.64
Total assets Pledged as security	1,069.95	1,000.56	741.66

Cash credits facilities from Bank of Baroda, Park Street Branch, Jaipur together with interest and other charges thereon, is secured by mortgage of company's land and building together with plant and machinery thereon both present and future and by way of a hypothecation charge over all movable assets including book debts, stock etc. of the company and secured by personal guarantee of three directors of the company. Cash credit is payable on demand and carries interest rate@9% p.a. on monthly rest.

Note 42 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 31.03.2018 and 31.03.2017 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

Note 43 Previous year's figure have been regrouped/ reclassified / rounded off wherever necessary to correspond with the current year's classification/disclosure.

For A. Natani & Co. For and on behalf of the Board of Directors

Chartered Accountants

Firm Regn. No. 007347C

CA Ashok Kumar Natani

Partner

Membership No. 074692

Bhanwar Lal Baid

DIN:00212003

Chairman

Bharat Kumar Baid

DIN:00212506

Managing Director

Vikram Baid

DIN:00217347

Executive Director

Rashmi Agarwal

Company

Secretary

and CFO

Place : Jaipur

Date : 30.05.2018

(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

**Form MGT-11
PROXY FORM**

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

Name : Email Id:-.....

Address:

Signature: or failing him / her;

Name : Email Id:-.....

Address:

Signature: or failing him / her;

Name : Email Id:-.....

Address:

Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 09th Annual General Meeting of the Company, to be held on Saturday, 29th September, 2018 at 4.00 p.m. at "Parmanand Hall", Ashok Marg, C-Scheme, Jaipur-302001 (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Option (✓)	
	Ordinary Business	For	Against
1.	To consider and adopt the Audited Financial Statements of the Company for the year ended 31 st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. Bhanwar Lal Baid (DIN 00212003), who is liable to retire by rotation and being eligible, offers himself for re-appointment.		
Special Business			
3.	Re-appointment of Mrs. Anima Bordia as Non-Executive Independent Director.		
4.	Re-appointment of Mr. Niraj Nahata as Non-Executive Independent Director.		
5.	Re-appointment of Mr. Pawan Nahata as Non-Executive Independent Director.		
6.	Re-appointment of Mr. Vikram Baid as Executive Director and approval of remuneration.		
7.	Re-appointment of Mr. Bharat Kumar Baid as Managing Director and approval of remuneration.		

Signed this.....day of.....2018.

Signature of Shareholder

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

Affix
Re.1
Revenue Stamp

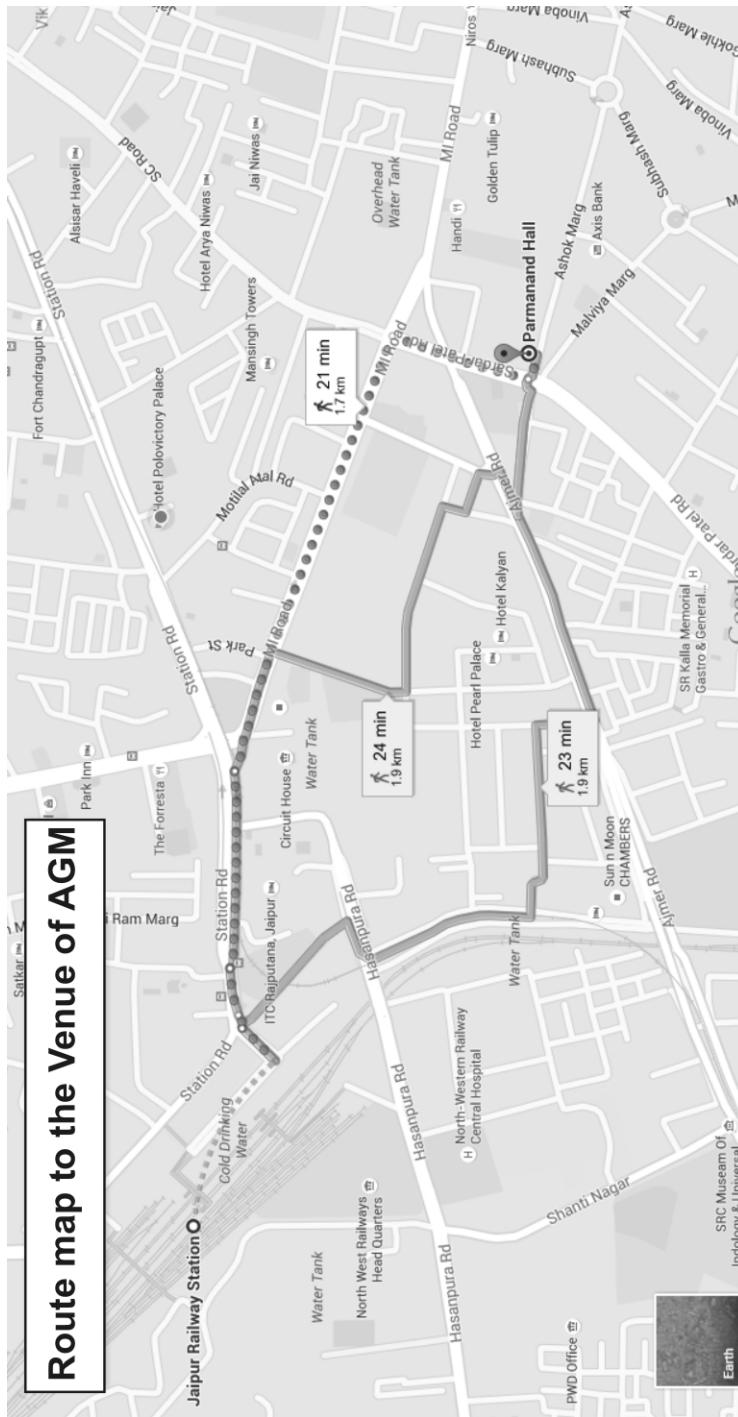
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Note

Note

BOOK-POST

Route map to the Venue of AGM



If undelivered please returned to :

If undelivered please returned to :
VINAYAK POLYCON International Ltd.

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